



# Community Development Authority Board of Directors Meeting

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

**Thursday, November 21, 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/86898444845?pwd=HaeR\\_EA\\_X9LSKF-6xvSGw474nN0kA.LjGroTDLcXK7hsn3](https://us06web.zoom.us/j/86898444845?pwd=HaeR_EA_X9LSKF-6xvSGw474nN0kA.LjGroTDLcXK7hsn3)

Or Telephone:

Dial +1 312 626 6799 US (Chicago)

Webinar ID: 868 9844 4845

Passcode: 009557

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**

**DECLARATION OF CONFLICT OF INTEREST**

**APPROVAL OF AGENDA**

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

**HEARING OF CITIZEN COMMENTS**

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

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

**APPROVAL OF MINUTES**

- [1.](#) Approve 10-17-2024 CDA Meeting Minutes

**ACKNOWLEDGE FINANCIAL STATEMENTS**

- [2.](#) Acknowledge CDA Financial Statements for Period Ending October 31, 2024.

**PRESENTATIONS**

- [3.](#) How to Calculate TIF Percentages (Kristin Fish Peterson)

**ACTION ITEMS**

- [4.](#) Discussion and possible action regarding Inventalator Loan Collection Efforts (EDD Zeinert)
- [5.](#) Discussion and Possible Action Regarding Demolition of the 216 E. Main Street Building.(EDD Zeinert)
- [6.](#) Discussion and Possible Action Regarding Request for Proposal (RFP) for Demolition of 216 E. Main Street. Building (EDD Zeinert)
- [7.](#) Update, Discussion and Possible Action with respect to Rodriguez Assignment and Assumption Agreement regarding delinquent CDA Action Fund loan to Jay Stinson/Fine Food Arts LLC (EDD Zeinert)
- [8.](#) Discussion and possible action regarding filing criminal charges against Jay Stinson relating to Delinquent CDA Loan to Fine Food Arts LLC.
- [9.](#) Discussion and Possible Action Regarding But for Worksheet (EDD Zeinert)

**CONSIDERATIONS / DISCUSSIONS / REPORTS**

- [10.](#) Report on calculation of per household rate savings relating to CDBG funds applied to Water Tower project EDD Zeinert)
- [11.](#) Update Regarding WindUp 2025 Rules (EDD Zeinert)
- [12.](#) Updates & Discussion regarding Pages 1-10 of CDA Rules of Procedure Handbook (EDD Zeinert)
- [13.](#) Economic Development Activity Report (EDD Zeinert)

**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:

14. Discussion and Possible Action Regarding Development Agreement With Tanis Properties, LLC (EDD Zeinert)
15. Update regarding status of Ideawake/Inventalator Loan.

**RECONVENE INTO OPEN SESSION**

16. Reconvene to Open Session for possible action on Closed Session Item(s).

**FUTURE AGENDA ITEMS**

17. Cost of Amending a TIF District (EDD Zeinert)
18. Updates to Revolving Loan Programs
19. Status of Collections on Loans

**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.**

## 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, October 17, 2024 - 5:30 PM**

### MINUTES

**CALL TO ORDER:** Chairman Majkrzak called the meeting to order at 5:30 p.m.

#### ROLL CALL:

**PRESENT:** Chairman Greg Majkrzak, Board Member Christ Christon, Board Member Neil Hicks, Board Member Joe Kromholz, Board Member Jeff Knight, Board Member Jon Kachel, Board Member Thayer Coburn/via ZOOM. **ABSENT:** Board Member Kachel. **STAFF PRESENT:** Taylor Zeinert (Economic Development Director), Bonnie Miller (CDA Admin. Assistant).

**DECLARATION OF CONFLICT OF INTERESTS.** **Would any Member of the Board wish to declare any known conflict of interest with the items presented on today's CDA Board Agenda?** None.

#### APPROVAL OF AGENDA

Board Member Hicks moved approve the Agenda subject to removal of Item #6; seconded by Board Member Knight. Motion passed by roll call vote. **AYES:** Kromholz, Hicks, Christon, Majkrzak, Knight, Coburn. **NOES:** None. **ABSENT:** Kachel.

#### HEARING OF CITIZEN COMMENTS

None.

#### APPROVAL OF MINUTES

1. Moved by Board Member Hicks to approve the September 19, 2024 CDA Meeting Minutes; seconded by Board Member Christon. EDD Zeinert noted that Board Member Jon Kachel joined the meeting at 5:53 p.m. Motion passed by unanimous roll call vote.

#### ACKNOWLEDGE FINANCIAL STATEMENTS

2. Board Member Knight moved to acknowledge the Financial Statements for Period Ending September 30, 2024; seconded by Board Member Kachel. Motion passed by unanimous roll call vote.

#### PRESENTATIONS

3. Presentation on behalf of Safepro Technologies by CFO Robert Austin who provided an update on the status of business development, including ongoing development of the Soteria System active emergency guidance system from a manually operated system to an automated system. Mr. Austin stated that they are currently setting up a pilot program at Greenfield High School.



4. Presentation on behalf of Whitewater Cinemas by Jake Gildemeister, Owner. Mr. Gildemeister offered an update regarding business operations at the Whitewater Cinemas and future plans for sale or redevelopment of the structure currently housing the Cinemas. Mr. Gildemeister stated that he does not currently have the property listed for sale.

#### ACTION ITEMS

5. **Discussion and possible action regarding Request for Proposal (RFP) for demolition of the 108 West Main Street building (EDD Zeinert).** EDD Zeinert provided a summary of the investigations and findings regarding the integrity of the building at 108 West Main Street and the costs associated with restoration of the building to a code-compliant and safe structure. After brief discussion, Chairman Majkrzak moved to proceed with demolition of the building located at 108 West Main Street; seconded by Board Member Kromholz. Motion passed by unanimous roll call vote.
6. **Discussion and possible action regarding Request for Proposal (RFP) for the demolition of the 216 East Main Street building.** Item removed from this Agenda.

#### CONSIDERATIONS / DISCUSSIONS / REPORTS

7. **Discussion and feedback for Finance Committee regarding Proposed Framework for Improving Public Participation at Common Council and Committee meetings.** EDD Zeinert provided background regarding what the Finance Committee is looking for with regard to public comment type criteria. Board Member Kachel questioned the 3-minute length of time for an individual to speak. Board Member Hicks stated that the 3-minute rule is hard and fast; the new rule being considered allows for flexibility. Board Member Kromholz stated that a time limit ensures that speakers get to the point in a reasonable amount of time. Chairman Marjzkak would prefer the allowance for flexibility. Board Member Kromholz would like to see comments limited to those individuals who live in or own property in Whitewater. Board Member Hicks objected to requiring an individual to fill out a speaker card in order to speak. Board Member Knight was in favor of encouraging more participation from the public.
8. **Discussion regarding draft of proposed Future WindUp Rules.** EDD Zeinert presented a draft of the revised rules for WindUp 2025, making specific note that there would be two categories: (1) existing business; and (2) new business. Board Member Kachel would like to see a claw-back feature if a business leaves Whitewater before a specified amount of time. EDD Zeinert stated that a business is required to stay in Whitewater for at least 12 months. Board Member Knight would like to see a definition of "new business" and "established business". Board Member Kromholz would like to see a metered approach to the payout of funds based on the business staying in Whitewater. EDD Zeinert asked for a definition of a timeline to be considered a "new business". Board Member Christon would like to see a definitive start date for a new business.
9. **Staff Update: WCEDA Workforce Housing Initiative 2023-2024.** EDD Zeinert brought attention to Whitewater being featured in the report as being the community that was most ready to launch a workforce housing initiative.

10. **Staff update regarding status of Inventalator Capital Catalyst Loans.** EDD Zeinert provided a summary of Attorney Manthe’s findings and recommended sending a demand letter in an attempt to recover some funds.
11. **Update regarding economic development activities.** EDD Zeinert stated that the Office of Economic Development has been very busy and provided a summary of ongoing development activities.

**EXECUTIVE SESSION**

Moved by Board Member Kachel and seconded by Board Member Kromholz to adjourn to Closed Session, TO RECONVENE, pursuant to Wisconsin Statutes 19.85(1)(e) “Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. Motion passed by unanimous roll call vote. Item to be discussed:

12. Consideration and possible action regarding Development Agreement with Tanis.

**RECONVENE INTO OPEN SESSION.**

13. Meeting reconvened into open session at 6:50 p.m. and took no action.

**FUTURE AGENDA ITEMS**

14. How to Calculate TIF (KFP)
15. Cost of Amending a TIF District.
16. Update to Rules of Procedure Handbook
17. Updates to Revolving Loan Programs.
18. Updates to Facade Loan Program.
19. Report on calculation of per household rate savings relating to CDBG funds applied to Water Tower project.
20. Update regarding planning for WindUp 2025.
21. Update regarding status of efforts to make collections on loans.
22. Update regarding status of Development Agreement for the Bowers House Project.

**ADJOURNMENT.** Moved by Board Member Kachel and seconded by Chairman Majkrzak to adjourn the meeting. Motion passed by unanimous voice vote. Meeting adounred at 6:50 p.m.

Respectfully submitted,

Bonnie Miller, Recorder

Minutes approved at the \_\_\_\_\_, 2024 CDA Board Meeting.

**CITY OF WHITEWATER**  
**REVENUES WITH COMPARISON TO BUDGET**  
**FOR THE 10 MONTHS ENDING OCTOBER 31, 2024**

Item 2.

**ECONOMIC DEVELOPMENT FUND**

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>OTHER FINANCING SOURCES</u>					
900-49265-56	TRANSFER TID #4 AFFORD HOUSING	.00	50,000.00	50,000.00	.00 100.0
900-49266-56	TRANSFER TID #11-ADMIN	.00	25,000.00	25,000.00	.00 100.0
900-49267-56	TRANSFER TID #12-ADMIN	.00	37,500.00	25,000.00 ( 12,500.00)	150.0
900-49269-56	TRANSFER TID #14-ADMIN	.00	.00	25,000.00 25,000.00	.0
900-49270-56	TRANSFER TID #10-ADMIN	.00	35,000.00	22,500.00 ( 12,500.00)	155.6
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
	<b>TOTAL OTHER FINANCING SOURCES</b>	<b>.00</b>	<b>180,000.00</b>	<b>203,003.03 23,003.03</b>	<b>88.7</b>
	<b>TOTAL FUND REVENUE</b>	<b>.00</b>	<b>180,000.00</b>	<b>203,003.03 23,003.03</b>	<b>88.7</b>

**CITY OF WHITEWATER**  
**EXPENDITURES WITH COMPARISON TO BUDGET**  
**FOR THE 10 MONTHS ENDING OCTOBER 31, 2024**

Item 2.

**ECONOMIC DEVELOPMENT FUND**

		PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>CDA</u>						
900-56500-111	SALARIES	8,676.17	84,553.43	121,050.02	36,496.59	69.9
900-56500-151	FRINGE BENEFITS	1,483.30	14,493.43	38,265.63	23,772.20	37.9
900-56500-210	PROFESSIONAL DEVELOPMENT	153.75	3,332.76	3,535.00	202.24	94.3
900-56500-211	CONSULTANT FEES	.00	10,867.23	.00	( 10,867.23)	.0
900-56500-212	LEGAL SERVICES	1,454.50	4,325.00	12,625.00	8,300.00	34.3
900-56500-215	PROFESSIONAL SERVICES	.00	9,405.79	2,525.00	( 6,880.79)	372.5
900-56500-222	COUNTY/REGIONAL ECON DEV	.00	11,019.00	11,000.00	( 19.00)	100.2
900-56500-223	MARKETING	.00	427.14	2,525.00	2,097.86	16.9
900-56500-224	SOFTWARE/HARDWARE MAINTENANCE	644.61	3,164.70	3,590.71	426.01	88.1
900-56500-225	TELECOM/INTERNET/COMMUNICATION	137.36	1,885.81	1,991.17	105.36	94.7
900-56500-310	OFFICE & OPERATING SUPPLIES	1,530.11	4,362.05	606.00	( 3,756.05)	719.8
900-56500-311	POSTAGE	.00	18.56	202.00	183.44	9.2
900-56500-320	DUES	.00	.00	1,000.00	1,000.00	.0
900-56500-325	PUBLIC EDUCATION	.00	215.00	50.50	( 164.50)	425.7
900-56500-330	TRAVEL EXPENSE	297.02	1,474.02	3,737.00	2,262.98	39.4
900-56500-341	MISC EXPENSE	.00	.00	300.00	300.00	.0
	<b>TOTAL CDA</b>	<b>14,376.82</b>	<b>149,543.92</b>	<b>203,003.03</b>	<b>53,459.11</b>	<b>73.7</b>
	<b>TOTAL FUND EXPENDITURES</b>	<b>14,376.82</b>	<b>149,543.92</b>	<b>203,003.03</b>	<b>53,459.11</b>	<b>73.7</b>
	<b>NET REVENUE OVER EXPENDITURES</b>	<b>( 14,376.82)</b>	<b>30,456.08</b>	<b>.00</b>	<b>( 30,456.08)</b>	<b>.0</b>

**CITY OF WHITEWATER**  
**REVENUES WITH COMPARISON TO BUDGET**  
**FOR THE 10 MONTHS ENDING OCTOBER 31, 2024**

Item 2.

**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	52.20	1,752.02	.00 ( 1,752.02)	.0
910-44006-00	FACADE INT-SHABANI INV LLC 50K	165.30	663.94	.00 ( 663.94)	.0
	<b>TOTAL FACADE LOAN REVENUE</b>	<b>217.50</b>	<b>2,415.96</b>	<b>.00 ( 2,415.96)</b>	<b>.0</b>
<u>ACTION LOAN REVENUE</u>					
910-46001-00	INT INC-ACTION-LRN DEPOT \$41K	47.12	820.22	655.37 ( 164.85)	125.2
910-46008-00	INT INC-ACTION-SAFEPRO \$100K	296.10	3,138.60	3,714.90 576.30	84.5
910-46010-00	INT INC-ACTION-SWSPOT/GILDE	139.50	1,277.31	1,659.91 382.60	77.0
	<b>TOTAL ACTION LOAN REVENUE</b>	<b>482.72</b>	<b>5,236.13</b>	<b>6,030.18 794.05</b>	<b>86.8</b>
<u>MISCELLANEOUS REVENUE</u>					
910-48103-00	INTEREST INCOME-FACADE	40.28	779.74	890.69 110.95	87.5
910-48104-00	INTEREST INCOME-HOUSING	36.88	575.77	518.42 ( 57.35)	111.1
910-48108-00	INTEREST INCOME-SEED FUND	179.44	2,124.91	750.00 ( 1,374.91)	283.3
910-48109-00	INTEREST INCOME-ACTION FUND	3,457.66	39,639.48	33,750.00 ( 5,889.48)	117.5
910-48605-00	RENTAL INCOME-CROP LEASES	.00	12,838.00	15,876.00 3,038.00	80.9
910-48700-00	GAIN ON SALE OF LAND	.00	9,766.04	.00 ( 9,766.04)	.0
	<b>TOTAL MISCELLANEOUS REVENUE</b>	<b>3,714.26</b>	<b>65,723.94</b>	<b>51,785.11 ( 13,938.83)</b>	<b>126.9</b>
<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
	<b>TOTAL OTHER FINANCING SOURCES</b>	<b>.00</b>	<b>.00</b>	<b>( 47,815.29) ( 47,815.29)</b>	<b>.0</b>
	<b>TOTAL FUND REVENUE</b>	<b>4,414.48</b>	<b>73,376.03</b>	<b>10,000.00 ( 63,376.03)</b>	<b>733.8</b>

**CITY OF WHITEWATER**  
**EXPENDITURES WITH COMPARISON TO BUDGET**  
**FOR THE 10 MONTHS ENDING OCTOBER 31, 2024**

Item 2.

**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	6,392.04	5,000.00	( 1,392.04)	127.8
910-56500-219 PROFESSIONAL SERVICES	9,950.00	11,697.50	5,000.00	( 6,697.50)	234.0
910-56500-323 MARKETING/AD'S	.00	119.20	.00	( 119.20)	.0
910-56500-407 ECON DEV-LOAN EXPENSES	.00	3,176.99	.00	( 3,176.99)	.0
910-56500-408 RENTAL & PROPERTY EXPENSES	4,547.74	7,447.72	.00	( 7,447.72)	.0
910-56500-417 CAP CAT-LOAN LOSS ALLOWANCE	.00	51,050.00	.00	( 51,050.00)	.0
910-56500-525 ACTION GRANTS-BUSINESS DEV	24,499.71	139,530.16	.00	( 139,530.16)	.0
TOTAL CDA PROGRAMS	<u>38,997.45</u>	<u>219,413.61</u>	<u>10,000.00</u>	<u>( 209,413.61)</u>	<u>2194.1</u>
TOTAL FUND EXPENDITURES	<u>38,997.45</u>	<u>219,413.61</u>	<u>10,000.00</u>	<u>( 209,413.61)</u>	<u>2194.1</u>
NET REVENUE OVER EXPENDITURES	<u>( 34,582.97)</u>	<u>( 146,037.58)</u>	<u>.00</u>	<u>146,037.58</u>	<u>.0</u>

**CITY OF WHITEWATER  
BALANCE SHEET  
OCTOBER 31, 2024**

Item 2.

**ECONOMIC DEVELOPMENT FUND**

		BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
<u>ASSETS</u>					
900-11100	CASH	31,000.08	( 14,376.82)	17,557.36	48,557.44
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
	<b>TOTAL ASSETS</b>	<b>53,146.15</b>	<b>( 14,376.82)</b>	<b>17,557.36</b>	<b>70,703.51</b>
 <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
	<b>TOTAL LIABILITIES</b>	<b>26,305.75</b>	<b>.00</b>	<b>( 12,898.72)</b>	<b>13,407.03</b>
 <u>FUND EQUITY</u>					
900-34300	PROPRIETARY CAPITAL	26,840.40	.00	.00	26,840.40
	UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD	.00	( 14,376.82)	30,456.08	30,456.08
	<b>BALANCE - CURRENT DATE</b>	<b>.00</b>	<b>( 14,376.82)</b>	<b>30,456.08</b>	<b>30,456.08</b>
	<b>TOTAL FUND EQUITY</b>	<b>26,840.40</b>	<b>( 14,376.82)</b>	<b>30,456.08</b>	<b>57,296.48</b>
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>53,146.15</b>	<b>( 14,376.82)</b>	<b>17,557.36</b>	<b>70,703.51</b>

**CITY OF WHITEWATER  
BALANCE SHEET  
OCTOBER 31, 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	36.88 (	6,082.98)	8,340.60
910-11702 FACADE CKING-1ST CIT- XXX442	24,867.75	2,458.87 (	15,007.42)	9,860.33
910-11800 ACTION-BUS DEV-BUS PARK-XXX127	434,973.50 (	31,320.47) (	95,967.71)	339,005.79
910-11801 ACTION-LAND PURCHASE-XXX127	540,897.93	.00 (	121,054.31)	419,843.62
910-11900 CAP CAT-ASSOC BK XXXXX3734	119,111.77	179.44	2,124.91	121,236.68
910-13500 PAUQUETTE CENTER LOAN RECV	111,897.28 (	1,289.52) (	12,895.20)	99,002.08
910-13501 ACTION-LEARNING DEPOT \$41,294	19,898.18 (	650.93) (	6,342.38)	13,555.80
910-13508 ACTION-FINE FOOD ARTS \$30,000	30,000.00	.00	.00	30,000.00
910-13509 ACTION-SAFEPRO TECH \$100K	99,217.10 (	1,176.90) (	11,591.40)	87,625.70
910-13510 ACTION-SWSPOT/GILDEMEISTER 54K	44,885.18 (	619.25) (	6,128.09)	38,757.09
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
910-14041 CDBG HOUSING-HO#22	.00	.00	6,688.75	6,688.75
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 (	51,050.00)	.00
910-16008 FACADE-BOWERS HOUSE LLC \$50K	75,000.00 (	2,063.40) (	14,418.14)	60,581.86
910-16009 FACADE-SHABANI INV LLC \$50K	.00 (	137.69)	49,451.98	49,451.98
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 (	851,866.00)	.00
910-18350 LAND	446,739.53	.00	34,194.56	480,934.09
910-18360 REAL ESTATE	6,128,544.00	.00	84,863.29	6,213,407.29
<b>TOTAL ASSETS</b>	<b>9,588,315.71</b>	<b>( 34,582.97)</b>	<b>( 1,015,080.14)</b>	<b>8,573,235.57</b>

LIABILITIES AND EQUITY

LIABILITIES

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 (	851,866.00)	.00
<b>TOTAL LIABILITIES</b>	<b>2,454,437.32</b>	<b>.00 (</b>	<b>869,042.56)</b>	<b>1,585,394.76</b>

FUND EQUITY



**CITY OF WHITEWATER  
BALANCE SHEET  
OCTOBER 31, 2024**

Item 2.

**CDA PROGRAMS FUND**

		BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
910-30110	CONTRIBUTED CAPITAL	456,815.37	.00 (	181,643.84)	275,171.53
910-34300	PROPRIETARY CAPITAL	6,439,031.08	.00 (	111,222.15)	6,327,808.93
910-34400	RESERVE FOR LAND PURCHASES	238,031.94	.00	292,865.99	530,897.93
UNAPPROPRIATED FUND BALANCE:					
	REVENUE OVER EXPENDITURES - YTD	.00 (	34,582.97) (	146,037.58) (	146,037.58)
	BALANCE - CURRENT DATE	.00 (	34,582.97) (	146,037.58) (	146,037.58)
	TOTAL FUND EQUITY	7,133,878.39	( 34,582.97) (	146,037.58)	6,987,840.81
	TOTAL LIABILITIES AND EQUITY	9,588,315.71	( 34,582.97) (	1,015,080.14)	8,573,235.57

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
<b>900</b>									
10/24	10/17/2024	97458	9967	SWARTZ, ANDREW		TRAINING SESSIONS WITH BONNIE MILLER	1	900-56500-210	153.75
10/24	10/24/2024	900174	8487	US BANK	JEREMIAH THOMAS-STAFF	GENERAL CDA LEGAL WORK	OCT 2024	900-56500-212	100.50
10/24	10/24/2024	900174	8487	US BANK	JEREMIAH THOMAS-STAFF	GENERAL CDA LEGAL WORK	OCT 2024	900-56500-212	944.00
10/24	10/24/2024	900174	8487	US BANK	JEREMIAH THOMAS-STAFF	CARPENTER DPA MORGATE & LOAN POLICY WORK	OCT 2024	900-56500-212	410.00
10/24	10/24/2024	900174	8487	US BANK	TIM NEUBECK-WEB*BLUEH	CDA domain	OCT 2024	900-56500-225	22.17
10/24	10/24/2024	900174	8487	US BANK	SARA MARQUARDT-MERIDI	Business Cards - T. Zeinert & B. Miller	OCT 2024	900-56500-310	144.13
10/24	10/24/2024	900174	8487	US BANK	HEATHER M BOEHM-US CO	Coach bus for Economic Development Director	OCT 2024	900-56500-310	128.23
10/24	10/24/2024	900174	8487	US BANK	HEATHER M BOEHM-US CO	Coach bus for Economic Development Director	OCT 2024	900-56500-310	1,154.07
10/24	10/24/2024	900174	8487	US BANK	TAYLOR ZEINERT-AMZN MK	File Supplies	OCT 2024	900-56500-310	17.94
10/24	10/24/2024	900174	8487	US BANK	TAYLOR ZEINERT-AMAZON	Amazon- Fraud	OCT 2024	900-56500-310	38.36
10/24	10/24/2024	900174	8487	US BANK	TAYLOR ZEINERT-KWIK TRI	Gas to Eau Claire and Back	OCT 2024	900-56500-330	51.54
10/24	10/24/2024	900174	8487	US BANK	TAYLOR ZEINERT-THE LISM	Hotel for Conference	OCT 2024	900-56500-330	196.00
10/24	10/24/2024	900174	8487	US BANK	TAYLOR ZEINERT-TST* NOR	Dinner at Conference	OCT 2024	900-56500-330	16.88
10/24	10/24/2024	900174	8487	US BANK	TAYLOR ZEINERT-THE LISM	Breakfast at Conference	OCT 2024	900-56500-330	23.16
10/24	10/24/2024	900174	8487	US BANK	TAYLOR ZEINERT-THE LISM	Breakfast at Conference	OCT 2024	900-56500-330	9.44
Total 900:									3,410.17
Grand Totals:									3,410.17

M = Manual Check, V = Void Check

<b>CDBG-HOUSING CHK-1CSB XXX450</b>		<b>Total Deposit</b>	<b>Debit</b>	<b>910-11600</b>	<b>-</b>
HO# 1 Payment	Principal		Credit	910-14027	
HO# 11 Payoff	Principal		Credit	910-14037	
<b>ACTION-BUS DEV-BUS PARK-XXX127</b>		<b>Total Deposit</b>	<b>Credit</b>	<b>910-11800</b>	<b>4,219.32</b>
PAUQUETTE CENTER LOAN REC V	Principal		Debit	910-13500	(1,289.52) 10/07/2024 ACH PAYMENT
ACTION-SWSPOT/GILDEMEISTER 54K	Principal		Credit	910-13510	(619.25) 10/22/2024 ACH PAYMENT
INT INC-ACTION-SWSPOT/GILDE	Interest		Credit	910-46010-00	(139.50) 10/22/2024 ACH PAYMENT
ACTION-SAFEPRO TECH \$100K	Principal		Credit	910-13509	(1,176.90) 10/22/2024 ACH PAYMENT
INT INC-ACTION-SAFEPRO \$100K	Interest		Credit	910-46008-00	(296.10) 10/22/2024 ACH PAYMENT
ACTION-LEARNING DEPOT \$41,294	Principal		Credit	910-13501	(650.93) 10/01/2024 ACH PAYMENT
INT INC-ACTION-LRN DEPOT \$41K	Interest		Credit	910-46001-00	(47.12) 10/01/2024 ACH PAYMENT
<b>FACADE CKING-1ST CIT- XXX442</b>		<b>Total Deposit</b>	<b>Credit</b>	<b>910-11702</b>	<b>2,115.60</b>
FACADE-BOWERS HOUSE LLC \$50K	Principal		Credit	910-16008	(2,063.40) 10/10/2024 ACH PAYMENT
FACADE INT-BOWER'S HOUSE \$50K	Interest		Credit	910-44005-00	(52.20) 10/10/2024 ACH PAYMENT
FACADE-SHABANI INV LLC \$50K	Principal		Credit	910-16009	(137.69) 10/15/2024 ACH PAYMENT
FACADE INT-SHABANI INV LLC 50K	Interest		Credit	910-44006-00	(165.30) 10/15/2024 ACH PAYMENT
ACTION GRANTS-BUSINESS DEV				910-56500-525	2,776.78 Natalie Serena-Wind Up Renovations
ACTION GRANTS-BUSINESS DEV				910-56500-525	963.74 Holly Barnett-Wind Up Inventory & Gas
ACTION GRANTS-BUSINESS DEV				910-56500-525	2,100.60 Holly Barnett-Wind Up Funds
PROFESSIONAL SERVICES				910-56500-219	9,500.00 Wind UP Comp Analysis UWW
RENTAL & PROPERTY EXPENSES				910-56500-408	18.87 126 N Jefferson Utilities
RENTAL & PROPERTY EXPENSES				910-56500-408	96.50 108 W Main Utilities
RENTAL & PROPERTY EXPENSES				910-56500-408	92.37 216 E Main Utilities
RENTAL & PROPERTY EXPENSES				910-56500-408	126 N Jefferson Mowing
RENTAL & PROPERTY EXPENSES				910-56500-408	2,306.00 108 W Main Asbestos Test-Northstar
RENTAL & PROPERTY EXPENSES				910-56500-408	2,034.00 216 E Main Asbestos Test-Northstar
ACTION-BUS DEV-BUS PARK-XXX127				910-11800	(19,888.86) Cash Transactions October 2024
OTHER PROFESSIONAL SERVICES				441-57660-219	1,225.50 Home Loan Documents-Carpenter
OTHER PROFESSIONAL SERVICES				441-57660-219	134.00 Home Loan Documents-Robb
OTHER PROFESSIONAL SERVICES				441-57660-219	268.00 Home Loan Program Work
DUE FROM FD 900 & 910 CDA				100-15205	(1,627.50) Affordable Housing Loan Documents

ACTION FUND		ORIGINAL	09/30/2024			10/31/2024	Principal Pymts		NOTES
ACCT #	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	BALANCE	To Date	Written Off	
910-13500	PAUQUETTE CENTER LOAN RECV	\$158,320.00	\$100,291.60	1,289.52	0.00	\$99,002.08	\$59,317.92		Current
910-13501	ACTION-LEARNING DEPOT \$41,294	\$41,294.63	\$14,206.73	650.93	47.12	\$13,555.80	\$27,738.83		Current
910-13508	ACTION-FINE FOOD ARTS \$30,000	\$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 12/01/2
910-13509	ACTION-SAFEPRO TECH \$100K	\$104,360.00	\$88,802.60	1,176.90	296.10	\$87,625.70	\$16,734.30		Current
910-13510	ACTION-SWSPOT/GILDEMEISTER 54K	\$54,000.00	\$39,376.34	619.25	139.50	\$38,757.09	\$15,242.91		Current
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
<b>TOTALS</b>		<b>\$683,770.25</b>	<b>\$285,177.27</b>	<b>\$3,736.60</b>	<b>\$482.72</b>	<b>\$281,440.67</b>	<b>\$248,723.46</b>	<b>\$153,606.12</b>	
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	09/30/2024			10/31/2024	Principle Pymts		NOTES
ACCT #	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	BALANCE	To Date	Written Off	
910-16008	FAÇADE-BOWERS HOUSE LLC \$50K	75,000.00	62,645.26	2,063.40	52.20	60,581.86	\$14,418.14		Current
910-16009	FAÇADE-SHABANI INV LLC \$50K	50,000.00	49,589.67	137.69	0.00	49,451.98	\$548.02		New Loan June 2024-First payment July 2024
<b>TOTALS</b>		<b>\$ 75,000.00</b>	<b>\$ 62,645.26</b>	<b>\$ 2,063.40</b>	<b>\$ 52.20</b>	<b>\$ 60,581.86</b>			

CAPITAL CATALYST		ORIGINAL	09/30/2024			10/31/2024	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	\$0.00	0.00	0.00	\$0.00	\$51,050.00		Disolved in 2021
<b>TOTALS</b>		<b>\$601,264.00</b>	<b>\$550,214.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$347,000.00</b>	<b>\$168,551.04</b>	<b>\$102,000.00</b>	
910-15999	CAP CAT-LOAN LOSS RESERVE		\$0.00						

HOUSING		ORIGINAL	09/30/2024			10/31/2024	NOTES
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	
910-14041	CDBG HOUSING-HO#22	\$6,688.75	\$6,688.75	0.00	0.00	\$6,688.75	
<b>TOTALS</b>		<b>\$235,578.66</b>	<b>\$247,943.91</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$247,943.91</b>	
910-14999	CDBG HOUSING-LOAN LOSS RESERVE		\$0.00				
910-35000	GENERAL LOAN LOSS RESERVE		\$0.00				

New Loan July 2024

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	5.56%	5.56%	5.56%	5.56%	2.02%
GL Account Number(s)	900-11100	910-11800 910-11801 910-11806	910-11702	910-11600	910-11900
<b>GL Balance as of:</b>					
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	860,772.65	25,203.20	14,618.14	119,779.36
04/30/2024	41,597.15	868,864.87	28,799.53	14,687.31	120,000.26
05/31/2024	5,443.42	871,263.01	31,053.68	14,754.47	120,228.95
06/30/2024	11,084.72	861,863.31	0.00	14,815.36	120,450.68
07/31/2024	-6,399.39	893,135.53	2,516.35	8,229.06	120,654.72
08/31/2024	1,744.27	803,182.07	4,952.84	8,265.72	120,859.11
09/30/2024	62,934.26	790,169.88	7,401.46	8,303.72	121,057.24
10/31/2024	48,557.44	758,849.41	9,860.33	8,340.60	121,236.68
<b>Outstanding items</b>		-19,888.86			
<b>Current Bank Balance</b>	<b>48,557.44</b>	<b>778,738.27</b>	<b>9,860.33</b>	<b>8,340.60</b>	<b>121,236.68</b>
<b>Difference:</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

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

**October 2024 Interest Income**

ACTION-BUS DEV-BUS PARK-XXX127	910-11800	3,457.66	October 2024 Interest Income
FACADE CKING-1ST CIT- XXX442	910-11702	40.28	October 2024 Interest Income
CDBG-HOUSING CHK-1CSB XXX450	910-11600	36.88	October 2024 Interest Income
CAP CAT-ASSOC BK XXXXX3734	910-11900	179.44	October 2024 Interest Income
INTEREST INCOME-ACTION FUND	910-48109-00	(3,457.66)	October 2024 Interest Income
INTEREST INCOME-FACADE	910-48103-00	(40.28)	October 2024 Interest Income
INTEREST INCOME-HOUSING	910-48104-00	(36.88)	October 2024 Interest Income
INTEREST INCOME-SEED FUND	910-48108-00	(179.44)	October 2024 Interest Income



# CDA Agenda Item

Meeting Date:	November 21, 2024
Agenda Item:	TIF Basics
Staff Contact (name, email, phone):	Taylor Zeinert <a href="mailto:tzeinert@whitewater-wi.gov">tzeinert@whitewater-wi.gov</a> 262-473-0148

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

CDA Board Member Knight has requested a presentation walking through the basics of TIF, how projects are chosen, and how TIF is determined. Attached to this memo is a presentation that was made by EDD Zeinert and our ED consultant, Kristen Fish-Peterson. This presentation answers the questions previously listed and walks through the TIF calculations for both the Meadowview and Jake’s Way project.

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

N/A

**FINANCIAL IMPACT**  
(If none, state N/A)

N/A

**STAFF RECOMMENDATION**

N/A

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

-Presentation made by EDD Zeinert and Kristen Fish-Peterson



# Process of TIF in City of Whitewater

**Economic Development Director Zeinert**  
**Redevelopment Resources, Kristen Fisch-Peterson**



# Developer Approaches the Office of Economic Development



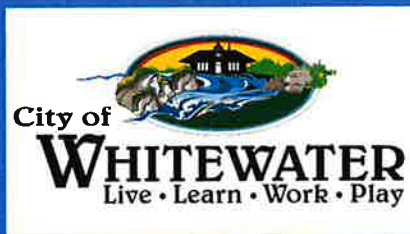
# Economic Development Staff meet with Developer to Learn More about his/her vision



**The developer is required to present a site plan and proforma, outlining costs and investment from them.**



**It is the developer's responsibility to show there is a gap if they are requesting financial support from the City.**

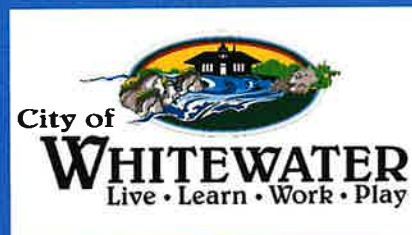




**If the developer is requesting financial incentives, they need to prove their need, that there is indeed a gap, and that the project will not happen without an incentive.**



**Staff Calculates if the gap can be filled with a TIF incentive and checks to see that the project will support the incentive over its allowable lifetime. This is also known as the “But For” test. But for the incentive, the project would not occur.**



**Staff also calculates if it's a reasonable request by calculating a payback period, and a percent of the total project.**

**We try to keep it at a reasonable amount (5%-20%, more if warranted).**



**Single Project Projection Worksheet  
TID 14  
Walworth County**

Type of District	Mixed Use	Base Value		Sale Price for 3 units year 1	825,000
District Creation Date	8/3/2021	Appreciation Factor	0.50%	Sale price for 12 units year 2	3,300,000
Valuation Date	Jan 1, 2021	Base Tax Rate	\$ 18.20	Sale price for 12 units year 3	3,300,000
Max life (Years)	20	Rate Adjustment Factor (3 years)	-1.00%	Sale price for 11 units year 4	3,025,000
Expenditure Period/Termination	15 8/3/2036	Tax Exempt Discount Rate	3.00%		
Revenue Period/Final year	20 2042	Taxable Discount Rate	4.00%		
Extension Eligibility/Years	Yes 3				
Eligible Recipient District	No				No

Construction year	Assessed Increment Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue / Budget Year	Tax Rate	Requested Project Support	Tax Increment	Annual Cash Flow	Cumulative Cash Flow	Tax Exempt NPV Calculation	Taxable NPV Calculation
1		2022	-	-	2023	\$ 18.20	-	-	-	-	-	-
2		2023	-	-	2024	\$ 18.02	-	-	-	-	-	-
3		2024	-	-	2025	\$ 17.84	-	-	-	-	-	-
4	825,000	2025	-	825,000	2026	\$ 17.66	(138,700)	14,572	(124,128)	(124,128)	(103,955)	(98,100)
5	3,300,000	2026	4,125	4,129,125	2027	\$ 17.66	(95,600)	72,935	(22,665)	(146,793)	(122,384)	(115,324)
6	3,300,000	2027	20,646	7,449,771	2028	\$ 17.66	(86,700)	131,589	44,889	(101,905)	(86,949)	(82,524)
7	3,025,000	2028	37,249	10,512,019	2029	\$ 17.66	(55,000)	185,678	130,678	28,774	13,205	9,289
8		2029	52,560	10,564,580	2030	\$ 17.66		186,607	186,607	215,381	152,058	135,354
9		2030	52,823	10,617,402	2031	\$ 17.66		187,540	187,540	402,920	287,541	257,176
10		2031	53,087	10,670,489	2032	\$ 17.66		188,477	188,477	591,398	419,735	374,898
11		2032	53,352	10,723,842	2033	\$ 17.66		189,420	189,420	780,818	548,721	488,659
12		2033	53,619	10,777,461	2034	\$ 17.66		190,367	190,367	971,185	674,576	598,591
13		2034	53,887	10,831,348	2035	\$ 17.66		191,319	191,319	1,162,504	797,376	704,824
14		2035	54,157	10,885,505	2036	\$ 17.66		192,275	192,275	1,354,779	917,196	807,481
15		2036	54,428	10,939,933	2037	\$ 17.66		193,237	193,237	1,548,016	1,034,108	906,684
16		2037	54,700	10,994,632	2038	\$ 17.66		194,203	194,203	1,742,219	1,148,181	1,002,548
17		2038	54,973	11,049,606	2039	\$ 17.66		195,174	195,174	1,937,393	1,259,486	1,095,186
18		2039	55,248	11,104,854	2040	\$ 17.66		196,150	196,150	2,133,543	1,368,090	1,184,706
19		2040	55,524	11,160,378	2041	\$ 17.66		197,131	197,131	2,330,673	1,474,057	1,271,213
20		2041	55,802	11,216,180	2042	\$ 17.66		198,116	198,116	2,528,789	1,577,453	1,354,810
	<u>10,450,000</u>		<u>766,180</u>					<u>2,904,789</u>	<u>2,528,789</u>			

**Request Assumptions**  
 Meadowview Court Development would generate over \$10 million in assessed value assuming an assessed value of \$290,000 per home for 38 units.  
 Mixed Use TID, with 20-year projection, originally created in 2021.  
 Total request is approx. \$376,000. Assuming \$97,000 for the street, \$8,900 each for 10 buildings, and \$5,000 per unit as constructed.

**Conclusions**  
 Value of incentives would be paid back in year five of tax collection  
 Homes will sell between high \$200,00s and low \$300,000s so assessed values could

**TID 11  
Prospect Drive, LLC**

Project Description	Development of eight 16-unit market rate multifamily buildings
Location	Morraine View Parkway and Jakes Way, parcel WPB 00044
Size	10.175 acres
Number of Buildings	8
Timeline	Fall 2024-Fall 2025
Request	\$ 5,007,245 Development Incentive
Construction Costs	Total construction costs estimated at \$31,962,178
But For	This project would not be financially feasible for the developer without the TIF incentive and contribution of land. Cash flow from rents on projects like this are not enough to support the debt. Therefore without the contribution of the incentive, this project would not occur in this location at this time.

**Sources/Uses**

Uses/Sources	Total	Owner	Bank	City/TIF
Land	\$ 500,000	\$ 500,000		\$ -
Hard Costs	\$ 28,206,176	\$ 1,200,442	\$ 21,912,607	\$ 5,093,127
Soft Costs	\$ 3,256,002	\$ 3,256,002	\$ -	
Totals	\$ 31,962,178	\$ 4,956,444	\$ 21,912,607	\$ 5,093,127

Guarantee	Developer will guarantee an assessed value of \$24,600,000
Clawback	Developer will commence construction by October 1, 2024 and complete construction by November 30 2025. Incentive payments will not begin until the first payment of property taxes by the developer. Should the development fall short of the minimum assessed value once constructed, the developer will pay a payment in lieu of taxes (PILOT) for the difference.



### Single Project Projection Worksheet TID 11 Walworth County

Type of District	Mixed Use	
District Creation Date	8/3/2021	
Valuation Date	Jan 1,	2021
Max life (Years)	20	
Expenditure Period/Termination	15	8/3/2036
Revenue Period/Final year	20	2042
Extension Eligibility/Years	Yes	3
Eligible Recipient District	No	

Base Value	
Appreciation Factor	0.50%
Base Tax Rate	\$ 17.52
Rate Adjustment Factor (3 years)	-1.00%
Tax Exempt Discount Rate	4.25%
Taxable Discount Rate	5.50%

Construction Cost, Unit One	31,962,178
Construction Cost, Unit Two	-
Construction Cost, Unit Three	-
Assessment as % of Construction cost	80%
Land Value Contributed	
Land included in IRR?	No

Construction year	Assessed Increment Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue / Budget Year	Tax Rate	Requested Project Support	Tax Increment	Annual Cash Flow	Cumulative Cash Flow	Tax Exempt NPV Calculation	Taxable NPV Calculation
1	2022	2023	-	-	2024	\$ 17.15	-	-	-	-	-	-
2	2023	2024	-	-	2025	\$ 16.98	-	-	-	-	-	-
3	2024	2025	-	-	2026	\$ 16.81	-	-	-	-	-	-
4	2025	2026	12,300,000	12,300,000	2027	\$ 16.64	(173,978)	204,680	30,702	30,702	23,917	22,266
5	2026	2027	61,500	12,361,500	2028	\$ 16.64	(174,848)	205,703	30,855	61,557	46,974	43,478
6	2027	2028	61,808	12,423,308	2029	\$ 16.64	(175,722)	206,732	31,010	92,567	69,201	63,684
7	2028	2029	12,300,000	24,785,424	2030	\$ 16.64	(350,578)	412,445	61,867	154,434	111,739	101,894
8	2029	2030	-	24,909,351	2031	\$ 16.64	(352,331)	414,507	62,176	216,610	152,746	138,294
9	2030	2031	-	25,033,898	2032	\$ 16.64	(354,093)	416,580	62,487	279,097	192,279	172,969
10	2031	2032	-	25,159,067	2033	\$ 16.64	(355,863)	418,663	62,799	341,896	230,389	206,000
11	2032	2033	-	25,284,863	2034	\$ 16.64	(357,643)	420,756	63,113	405,010	267,129	237,466
12	2033	2034	-	25,411,287	2035	\$ 16.64	(359,431)	422,860	63,429	468,439	302,547	267,441
13	2034	2035	-	25,538,343	2036	\$ 16.64	(361,228)	424,974	63,746	532,185	336,690	295,994
14	2035	2036	-	25,666,035	2037	\$ 16.64	(356,259)	427,099	170,840	703,024	424,466	368,530
15	2036	2037	-	25,794,365	2038	\$ 16.64	(257,541)	429,234	171,694	874,718	509,083	437,627
16	2037	2038	-	25,923,337	2039	\$ 16.64	(366,674)	431,381	64,707	939,425	539,673	462,311
17	2038	2039	-	26,052,954	2040	\$ 16.64	(368,507)	433,538	65,031	1,004,456	569,163	485,825
18	2039	2040	-	26,183,219	2041	\$ 16.64	(370,349)	435,705	65,356	1,069,812	597,592	508,224
19	2040	2041	-	26,314,135	2042	\$ 16.64	(372,201)	437,884	65,683	1,135,494	624,999	529,562
20	2041	2042	-	26,445,705	2043	\$ 16.64	-	440,073	440,073	1,575,567	801,136	665,071
			24,600,000	1,845,705			(5,007,245)	6,582,813	1,575,567			

**Request Assumptions**  
 Chris Slater will create eight 16-unit apartment buildings  
 Mixed Use TID, with 20-year projection, originally created in 2021.  
 Total request is \$5,007,245 to be paid out annually as taxes are paid until the TID is retired at the end of its life.


**Conclusions**  
 Project should cash flow from the beginning. NPV is positive in year 1.

# Economic Development Staff works with CDA Attorney to draft Developer's Agreement and TIF Agreement



# TIF Worksheet and Developer Agreement is presented to the CDA for approval



	<h2>CDA Agenda Item</h2>
Meeting Date:	November 21, 2024
Agenda Item:	Inventalator Demand Letter
Staff Contact (name, email, phone):	Taylor Zeinert <a href="mailto:tzeinert@whitewater-wi.gov">tzeinert@whitewater-wi.gov</a> 262-473-0148

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

At the September 19, 2024 CDA meeting , Finance Director Rachelle Blich presented a report regarding the status of the outstanding Inventalator Capital Catalyst Loans. It was the recommendation of Finance Director Blich to have CDA Attorney Rick Manthe assess the feasibility and means of pursuing collection. The body passed a motion directing staff to connect with Attorney Manthe to assess the feasibility and means of pursuing collection.

At the October 17, 2024 CDA meeting, a memo was presented to the CDA regarding the status of Attorney Manthe’s findings. Attorney Manthe shared that there is a valid UCC-1 Financing Statement on file with the Department of Financial Institutions. Attorney Manthe advised that if the CDA would like to pursue collection of funds, a demand letter should be sent. EDD Zeinert asked Attorney Manthe to start drafting a demand letter.

The demand letter was sent to CEO Coby Skonord on October 25, 2024 via mail and email.

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

- Memo of the financial status of the loan was presented to the CDA on September 19, 2024.
- Memo updating the CDA on the status of the possible collection was presented on October 17, 2024.

**FINANCIAL IMPACT**  
(If none, state N/A)

- Current balance of the loans:
- \$77,500 principal plus \$44,594.09 accrued interest totaling \$122,094.09
  - •\$27,500 principal plus \$18,754.72 accrued interest totaling \$46,254.72

**STAFF RECOMMENDATION**

N/A

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

- Copy of the Demand Letter that was sent to CEO, Coby Skonord
- Promissory Note

October 25, 2024

**VIA CERTIFIED MAIL**

Inventalator, Inc.  
Attn: Coby Skonord  
125 North Water Street, Suite 200  
Milwaukee, Wisconsin 53202

RE: Notice of Default

Mr. Skonord,

This office represents the Community Development Authority of the City of Whitewater, Wisconsin in connection with the obligation owed by Inventalator, Inc., a Wisconsin corporation (the “**Borrower**” or “**You**”) to the Community Development Authority of the City of Whitewater, Wisconsin (the “**Lender**”) pursuant to that certain Secured Promissory Note dated December 22, 2014, as amended and restated by that certain Amended and Restated Secured Promissory Note dated as of April 8, 2016 in the principal amount of \$27,500.00 (the “**2014 Amended and Restated Note**”), and that certain Secured Promissory Note dated April 8, 2016 in the principal amount of \$77,500.00 (the “**2016 Note**”) (the 2014 Amended and Restated Note and 2016 Note collectively, the “**Notes**”). True and correct copies of the Notes are attached hereto as **Exhibit A** and **B**. To secure the obligations under the Notes, You granted the Lender security interest in all assets of the Borrower pursuant to that certain General Business Security Agreement dated December 22, 2014 (the “**Security Agreement**”). A true and correct copy of the Security Agreement is attached hereto as **Exhibit C**.

In August of 2020, Lender agreed to defer the 2014 Amended and Restated Note’s Maturity Date, as defined in the 2014 Amended and Restated Note, to February 1, 2021. A true and correct copy of Lender’s August 2020 agreement to defer the 2014 Note’s Maturity Date is attached hereto as **Exhibit D**. In August of 2021, Lender again agreed to defer the 2014 Amended and Restated Note’s Maturity Date to February 1, 2022 (the “**Extended 2014 Amended and Restated Note Maturity Date**”). Lender also agreed to defer the 2016 Note’s Maturity Date, as defined in the 2016 Note, to August 1, 2022 (the “**Extended 2016 Note Maturity Date**”). A true and correct copy of Lender’s August 2021 agreement to defer the Note’s maturity dates is attached hereto as **Exhibit E**.

**Madison Office**

222 West Washington Avenue 608.256.0226  
P.O. Box 1784 888.655.4752  
Madison, Wisconsin Fax 608.259.2600  
53701-1784 www.staffordlaw.com

**Milwaukee Office**

1200 North Mayfair Road 414.982.2850  
Suite 430 888.655.4752  
Milwaukee, Wisconsin Fax 414.982.2889  
53226-3282 www.staffordlaw.com

You are in default under the terms of the Notes and the Security Agreement. Specifically, among other defaults, you failed to make payments in full of all accrued interest and principal payments due under the Notes by the applicable extended maturity dates. The total amount of accrued, unpaid principal and interest due on the 2014 Amended and Restated Note currently due is \$46,254.72, and the total amount of accrued, unpaid principal and interest due on the 2016 Note currently due is \$122,094.09, for a total outstanding balance on the two Notes of \$168,348.81 (the “Outstanding Balance”). This constitutes a default under Section 6(a) of the Notes and Section 7(a) of the Security Agreement.

Lender demands full payment of the Outstanding Balance in the amount of \$168,348.81 by November 10, 2024. Payment must be made by certified funds, cashier’s check or money order payable to the Community Development Authority of the City of Whitewater, Wisconsin and delivered to:

Community Development Authority of the City of Whitewater, Wisconsin  
312 West Whitewater Street  
P.O. Box 178  
Whitewater, Wisconsin 53190

If payment in full is not received by November 10, 2024, we will have no choice but to pursue all remedies available to us under the terms of the Notes and applicable law, including but not limited to a legal action to collect the sums due. You will also be liable for additional costs and attorneys’ fees incurred in pursuing these remedies.

If you wish to dispute the amounts stated or have any questions regarding this demand, please contact us immediately at 608-259-2639 or [IVladimirova@staffordlaw.com](mailto:IVladimirova@staffordlaw.com). This letter is an attempt to collect a debt and any information obtained will be used for that purpose.

Best regards,

STAFFORD ROSENBAUM LLP



Iana A. Vladimirova

October 25, 2024  
Page 3

Item 4.

IAV:nkb  
Enclosures

cc: Community Development Authority of the City of Whitewater, Wisconsin  
(via email - [bmiller@whitewater-wi.gov](mailto:bmiller@whitewater-wi.gov))



**AMENDED AND RESTATED SECURED PROMISSORY NOTE**

\$ 27,500.00

Whitewater, Wisconsin  
December 22, 2014  
as amended and restated on April 8, 2016

FOR VALUE RECEIVED, INVENTALATOR, INC., a Wisconsin corporation (the "Maker"), hereby promises to pay to the order of COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN (together with its successors and assigns, the "Lender"), the principal sum of Twenty Seven thousand Five hundred DOLLARS (\$27,500.00) (the "Loan"), together with all accrued and unpaid interest on the principal amount outstanding from the date hereof until paid in full, at such location as the Lender shall specify to the Maker.

1. Interest Rate and Payments. All unpaid principal and interest shall be due and payable under this Secured Promissory Note (this "Note") on December 22, 2019 (the "Maturity Date"). All payments of principal and accrued interest shall be made in lawful currency of the United States of America as follows:

(a) The unpaid principal amount of this Note shall bear interest at a fixed rate per annum equal to four percent (4.00%). All interest due under this Note shall be computed for the actual number of days outstanding on the basis of a 365-day year. If at any time and for any reason whatsoever, the interest rate payable hereunder shall exceed the maximum rate of interest permitted to be charged by the Lender to the Maker under applicable law, such interest rate shall be reduced automatically to the maximum rate of interest permitted to be charged under applicable law, with any excess interest collected being applied against principal.

(b) On December 22 of each year during the term of this Note (or if such date is not on a business day, the next succeeding business day), the Maker shall make a payment of principal and interest in an amount equal to the applicable percentage (the "Applicable Percentage") of the Maker's net revenues for the four fiscal quarters most recently ended ("Revenues"), as more fully described on Schedule 1 to this Note, with a final payment of all outstanding principal, accrued and unpaid interest, and all other amounts due and owing hereunder, if any, due on the Maturity Date. If Maker shall prepay the Note prior to the end of the fiscal year, than such payment shall be pro-rated on a per diem, 365-day year basis.

(c) Notwithstanding the foregoing, the Maker shall pay to the Lender all outstanding principal, accrued interest, and all other amounts owed hereunder upon the earliest to occur of the following: (i) the Maturity Date, or (ii) the acceleration of the amounts owing under this Note due to an Event of Default (as defined below). All payments hereunder will be applied first to accrued and unpaid interest and the balance, if any, to principal.

2. Prepayment. The Maker may make prepayments, in whole or in part, at any time prior to the Maturity Date without penalty. Prior to any such prepayment, the Maker shall provide the holder of this Note with at least ten (10) business days' prior written notice, and the holder shall have the opportunity to convert this Note in accordance with the terms hereof (if this Note is then convertible) in lieu of such prepayment.



3. Security. This Note is secured by the assets of the Maker as provided in that certain General Business Security Agreement dated as of December 22, 2014, by the Maker in favor of the Lender (the "Security Agreement"). The Maker acknowledges and agrees that the Security Agreement is fully enforceable against the Maker strictly in accordance with its terms. The Maker hereby ratifies and reaffirms the Security Agreement and acknowledges and agrees that the liens created by the Security Agreement are valid, effective, properly perfected, and enforceable first-priority liens. The Maker hereby reaffirms the grant of all liens to which it has previously granted to the Lender.

4. Conditions Precedent. The obligation of the Lender to make the Loan is subject to the satisfaction on or before the date of this Note of each of the following express conditions precedent:

(a) The Lender shall have received each of the following (each to be properly executed, dated, and completed), in form and substance satisfactory to the Lender:

(i) this Note duly executed by the Maker;

(ii) the Secured Promissory Note of even date herewith in the principal amount of \$77,500.00 (the "New Note"), duly executed by the Maker payable to the order of the Lender; and

(iii) a certificate of an officer of the Maker, dated as of the date of this Note, as to (A) the incumbency and signature of the officers who have signed this Note and any other documents or materials to be delivered by the Maker to the Lender pursuant to this Note; (B) the adoption and continued effect of resolutions of the governing body of the Maker authorizing the execution, delivery, and performance of this Note, together with copies of those resolutions; and (C) the accuracy and completeness of copies of the organizational documents of the Maker, as amended to date, attached thereto.

(b) The Lender shall have received such other agreements, instruments, documents, certificates, and opinions as the Lender or its counsel may reasonably request.

5. Covenants. From and after the date of this Note and until the entire amount of principal of and interest due on the Loan, and all other amounts of fees and payments due under this Note and the Security Agreement, are paid in full, the Maker shall:

(a) provide to the Lender, as soon as available, and in any event within one hundred twenty (120) days after the close of each fiscal year, a copy of the detailed annual financial statements of the Maker prepared in reasonable detail and in accordance with generally accepted accounting principles;

(b) provide to the Lender, as soon as available, and in any event within thirty (30) days after the end of each fiscal quarter, (i) a company-prepared balance sheet of the Maker as of the end of each such fiscal quarter and of the prior four fiscal quarters; and (ii) statements of income of the Maker for each such fiscal quarter and for the prior four fiscal quarters, all in reasonable detail and certified as true and correct, subject to audit and normal year-end adjustments, by the manager of the Maker;

(c) provide to the Lender such other financial information relating to the Maker and its business as may be requested by the Lender;

(d) promptly upon formation or acquisition of any subsidiary after the date hereof, cause such newly formed or acquired subsidiary to become a guarantor of the Maker's obligations under this Note by executing a guaranty and to secure such guaranty by granting the Lender a security interest in all assets of such subsidiary by executing a security agreement, as the Lender may require, and the Maker shall also deliver to the Lender, or cause such subsidiary to deliver to the Lender, such other instruments, documents, and certificates required by the Lender; and

(e) offer a minimum discount of 35% off all services provided to tenants of the Whitewater University Technology Park and the Whitewater Business Park, each located in Whitewater, Wisconsin.

6. Events of Default. As used in this Note, "Event of Default" shall mean any one of the following:

(a) The Maker shall fail to pay any sum when due or perform any covenant, agreement, or obligation hereunder or under the New Note or the Security Agreement, or an event of default shall occur under the New Note or the Security Agreement;

(b) a default or an event of default shall occur under any other agreement evidencing indebtedness of the Maker and such default (i) consists of the failure to pay such indebtedness when due, whether by acceleration or otherwise, or (ii) accelerates the maturity of such indebtedness or permits the holder or holders thereof, or any trustee or agent for such holder or holders, to cause such indebtedness to become due and payable (or require the Maker to purchase, defease, or redeem such indebtedness or post cash collateral in respect thereof) prior to the expressed maturity of such indebtedness;

(c) The Maker makes an assignment for the benefit of creditors, fails to pay, or admits in writing its inability to pay its debts as they mature, or if a trustee of any substantial part of the assets of the Maker is applied for or appointed; and

(d) Any proceeding involving the Maker is commenced by or against the Maker under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, or liquidation law or statute of the federal government or any state government.

7. Remedies.

(a) Upon the occurrence of an Event of Default under Section 6(a) or Section 6(b), the Lender may, upon notice and demand to the Maker, declare the entire amount of unpaid principal and accrued and unpaid interest under this Note immediately due and payable. Upon the occurrence of an Event of Default under Section 6(c) or Section 6(d), the entire amount of unpaid principal and accrued and unpaid interest under this Note automatically shall become immediately due and payable.

(b) Upon the occurrence of an Event of Default, the Maker hereby agrees to pay all reasonable fees and expenses incurred by the Lender, including reasonable attorneys' fees of counsel, in connection with the protection and enforcement of the rights of the Lender under this Note, including without limitation the collection of any amounts due under this Note and the protection and enforcement of such rights in any bankruptcy, reorganization, or insolvency proceeding involving the Maker.

(c) While any Event of Default exists, at the option of the Lender, the principal amount outstanding under this Note shall bear interest at a rate equal to fifteen percent (15%) per annum.

(d) No remedy herein conferred upon the Lender is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Note or now or hereafter existing by law. No failure or delay on the part of the Lender in exercising any right or remedy hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right hereunder preclude other or further exercise.

8. Waiver. The Maker and all endorsers hereof hereby waive presentment, demand for payment, notice of dishonor, notice of nonpayment, protest and notice of protest, and all other notices and demands in connection with the delivery, acceptance, performance, default or enforcement of this Note, and agree that the liability of the Maker shall be unconditional without regard to the liability of any other party and shall not be affected by any indulgence, extension of time, waiver, release of any party or of any of the Collateral (as defined in the Security Agreement), or other modification granted or consented to by the Maker or holder hereof.

9. Future Convertibility. For the avoidance of doubt, prior to the occurrence of both (x) the Series A Round and (y) either (i) or (ii) in the following sentence, this Note shall not be convertible. Upon the occurrence of both (x) the Series A Round and (y) either (i) any assignment by Lender of this Note, any such assignment which shall be exempt from the registration requirements of the Securities Act of 1933, as amended, and shall not cause the offering pursuant to which Lender originally acquired the Note to be ineligible for an exemption from such registration requirements as a condition thereto, or (ii) the date on which the original Lender becomes legally permitted to hold equity securities, this Note shall have the conversion rights as follows.

(a) All of the outstanding principal balance and accrued but unpaid interest under this Note shall be convertible, at the option of the holder thereof, without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable Series B Nonvoting Common Stock shares or other class of stock issued in conjunction with the Maker's first offering of its equity securities in which the gross proceeds from such offering equal or exceed \$1,000,000 (the "Series A Round") as is determined by the stipulated valuation, actual valuation, or stipulated valuation cap agreed to by Maker and the investors in such Series A Round. (such Series B shares or such other class of shares, the "Shares")

(b) Any such holder shall effect conversions by providing the Maker with a notice of conversion specifying the amount of this Note to be converted and the date on which such

conversion is to be effected (such date, the "Conversion Date"). If no Conversion Date is specified in a notice of conversion, the Conversion Date shall be the date that such notice of conversion to the Maker is deemed delivered hereunder. The Maker's obligation to issue and deliver the Shares acquired by such holder upon delivery to Maker of a notice of conversion in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by a holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by such holder or any other person of any obligation to the Maker.

(c)

(i) If the Maker, at any time while this Note is outstanding: (A) pays a unit dividend or otherwise makes a distribution or distributions payable in Shares or any other Share Equivalents (defined below); or (B) subdivides outstanding Shares into a larger number of Shares or consolidates outstanding Shares into a smaller number of Shares; then the number of Shares issuable hereunder shall be multiplied by a fraction of which the numerator shall be the number of Shares outstanding immediately after such event and of which the denominator shall be the number of Shares (excluding any treasury units of the Maker) outstanding immediately before such event. For purposes of this Note, "Share Equivalents" means any securities of the Maker or its subsidiaries which would entitle the holder thereof to acquire at any time Shares, including, without limitation, any debt, units other than the Shares, rights, options, warrants or other instrument that is at any time convertible into or exchangeable for, or otherwise entitles the holder thereof to receive, Shares.

(ii) The Maker shall not, at any time while this Note is outstanding, distribute to all holders of Shares (and not to the holder of this Note) evidences of its indebtedness or assets (including cash or cash dividends).

(iii) If, at any time while this Note is outstanding, (i) the Maker effects any merger or consolidation of the Maker with or into another person, (ii) the Maker effects any sale of all or substantially all of its assets in one transaction or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Maker or another person) is completed pursuant to which holders of Shares are permitted to tender or exchange their units for other securities, cash or property, or (iv) the Maker effects any reclassification of the Shares or any compulsory unit exchange pursuant to which the Shares are effectively converted into or exchanged for other securities, cash or property (in any such case, a "Fundamental Transaction"), then, upon any subsequent conversion of this Note, the holder hereof shall have the right to receive, for each Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction, the same kind and amount of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of one Share (the "Alternate Consideration"). For purposes of any such conversion, the number of Shares issuable upon conversion hereof shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Share in such Fundamental Transaction. If holders of Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the holder hereof shall be

given the same choice as to the Alternate Consideration it receives upon any conversion of this Note following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Maker or surviving entity in such Fundamental Transaction shall issue to the holder hereof new secured convertible notes consistent with the foregoing provisions and evidencing such holder's right to convert such note into Alternate Consideration. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this Section 9(c)(iv) and insuring that this Note (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction.

(iv) If any event occurs of the type contemplated by the provisions of this Section 9(c) but not expressly provided for by such provisions (including, without limitation, the granting of unit appreciation rights, phantom unit rights or other rights with equity features), then the Maker's Board of Directors in good faith will make an appropriate adjustment in the number of Shares issuable upon conversion of this Note so as to be equitable under the circumstances and otherwise protect the rights of the holder of this Note; provided that no such adjustment will decrease the number of Shares issuable upon conversion of this Note as otherwise determined pursuant to this Section 9(c).

10. Successors and Assigns. The Maker may not assign this Note without the consent of the Lender or the holder of this Note. All the provisions hereof shall extend to and inure to the benefit of the Lender and any and all person(s) hereunder from time to time owning or holding this Note, and their respective heirs, legal representatives, successors, and assigns.

11. Waiver of Jury Trial. **THE MAKER HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS NOTE. THE MAKER ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR THE MAKER AND THE LENDER TO ENTER INTO THIS NOTE, THAT THE MAKER AND THE LENDER HAVE RELIED ON THE WAIVER IN ENTERING INTO AND MAKING THE ADVANCES EVIDENCED UNDER THIS NOTE, AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. THE MAKER FURTHER WARRANTS AND REPRESENTS THAT THE MAKER HAS REVIEWED THIS WAIVER WITH, OR HAS BEEN GIVEN THE OPPORTUNITY TO REVIEW THIS WAIVER WITH, ITS LEGAL COUNSEL, AND THAT THE MAKER KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.**

12. Governing Law; Venue. This Note shall be governed by, and shall be construed and enforced in accordance with, the internal laws of the State of Wisconsin, without regard to conflicts of laws principles. Any action arising from or relating in any way to this Note shall be tried only in the state or federal courts situated in the Eastern District of Wisconsin. The Maker consents to jurisdiction and venue in those courts to the greatest extent allowed by law. The party that substantially prevails in any action to enforce any provision of this Note shall recover all costs and attorneys' fees incurred in connection with the action.

13. Miscellaneous. If any provision of this Note is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Note shall remain in full force and effect and shall be liberally construed in favor of the Lender in order to effect the provisions of this Note. The Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Lender, and then only to the extent specifically set forth in the waiver. A waiver on one event shall not be construed as continuing or as a bar to or waiver of any right or remedy to a subsequent event. This Note may not be changed or terminated orally, but only by an agreement in writing signed by the party against whom enforcement of such change or termination is sought.

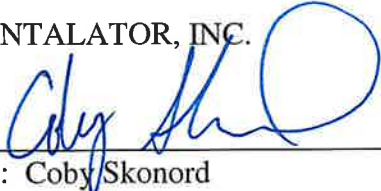
14. Further Assurance. From and after the date of this Note, each party agrees that it shall execute and deliver such document and take such action as may be reasonably requested by the other party to carry out the purposes and the transactions contemplated hereby.

15. Restatement. This Note is an amendment and restatement of that certain Secured Promissory Note dated December 22, 2014, executed by the Maker and payable to the order of the Lender in the original principal amount of \$27,500 (the "Prior Note") and evidences a continuation of the indebtedness evidenced by the Prior Note. The Maker hereby acknowledges and agrees that such indebtedness has not been repaid or extinguished and that the execution hereof does not constitute a novation of the Prior Note. Moreover, this Note shall be entitled to all security and collateral to which the Prior Note was entitled, without change or diminution in the priority of any lien or security interest granted to secure the Prior Note.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Maker, intending to be legally bound hereby, has executed these presents the day and year first written above.

INVENTALATOR, INC.

By:   
Name: Coby Skonord  
Title: President, Secretary, and Treasurer

## SCHEDULE 1

Level	Revenues	Applicable Percentage	Payment Amount
1	\$1 to \$500,000	1.00%	Level 1
2	\$500,001 to \$1,000,000	1.50%	Sum of Levels 1 and 2
3	\$1,000,001 to \$1,500,000	2.00%	Sum of Levels 1 though 3
4	\$1,500,001 to \$2,000,000	2.50%	Sum of Levels 1 though 4
5	\$2,000,001 to \$2,500,000	3.00%	Sum of Levels 1 though 5
6	\$2,500,001 to \$3,000,000	3.50%	Sum of Levels 1 though 6
7	\$3,000,001 to \$3,500,000	4.00%	Sum of Levels 1 though 7
8	\$3,500,001 to \$4,000,000	4.50%	Sum of Levels 1 though 8
9	Greater than or equal to \$4,000,001	5.00%	Sum of Levels 1 though 9

As an example for illustrative purposes only, if the Maker's Revenues are \$1,250,000, the payment amount would be as follows: the sum of (a) \$500,000 multiplied by 1.00% (total \$5,000), plus (b) \$500,000 multiplied by 1.50% (total \$7,500), plus (c) \$250,000 multiplied by 2.00% (total \$5,000) = \$17,500.



**SECURED PROMISSORY NOTE**

\$77,500.00

Whitewater, Wisconsin  
April 8, 2016

FOR VALUE RECEIVED, INVENTALATOR, INC., a Wisconsin corporation (the "Maker"), hereby promises to pay to the order of COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN (together with its successors and assigns, the "Lender"), the principal sum of SEVENTY-SEVEN THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$77,500.00) (the "Loan"), together with all accrued and unpaid interest on the principal amount outstanding from the date hereof until paid in full, at such location as the Lender shall specify to the Maker.

1. Interest Rate and Payments. The term of this Secured Promissory Note (this "Note") shall be five (5) years, with all unpaid principal and interest due and payable on April 8, 2021 (the "Maturity Date"). All payments of principal and accrued interest shall be made in lawful currency of the United States of America as follows:

(a) The unpaid principal amount of this Note shall bear interest at a fixed rate per annum equal to four percent (4.00%). All interest due under this Note shall be computed for the actual number of days outstanding on the basis of a 365-day year. If at any time and for any reason whatsoever, the interest rate payable hereunder shall exceed the maximum rate of interest permitted to be charged by the Lender to the Maker under applicable law, such interest rate shall be reduced automatically to the maximum rate of interest permitted to be charged under applicable law, with any excess interest collected being applied against principal.

(b) On each annual anniversary date of the date of this Note (or if such anniversary date is not on a business day, the next succeeding business day), the Maker shall make a payment of principal and interest in an amount equal to the applicable percentage (the "Applicable Percentage") of the Maker's net revenues for the four fiscal quarters most recently ended ("Revenues"), as more fully described on Schedule 1 to this Note, with a final payment of all outstanding principal, accrued and unpaid interest, and all other amounts due and owing hereunder, if any, due on the Maturity Date. If Maker shall prepay the Note prior to the end of the fiscal year, than such payment shall be pro-rated on a per diem, 365-day year basis.

(c) Notwithstanding the foregoing, the Maker shall pay to the Lender all outstanding principal, accrued interest, and all other amounts owed hereunder upon the earliest to occur of the following: (i) the Maturity Date, or (ii) the acceleration of the amounts owing under this Note due to an Event of Default (as defined below). All payments hereunder will be applied first to accrued and unpaid interest and the balance, if any, to principal.

2. Prepayment. The Maker may make prepayments, in whole or in part, at any time prior to the Maturity Date without penalty. Prior to any such prepayment, the Maker shall provide the holder of this Note with at least ten (10) business days' prior written notice, and the holder shall have the opportunity to convert this Note in accordance with the terms hereof (if this Note is then convertible) in lieu of such prepayment.

3. Security. This Note is secured by the assets of the Maker as provided in that certain General Business Security Agreement dated as of December 22, 2014, by the Maker in favor of the Lender (the "Security Agreement"). The Maker acknowledges and agrees that the Security Agreement is fully enforceable against the Maker strictly in accordance with its terms. The Maker hereby ratifies and reaffirms the Security Agreement and acknowledges and agrees that the liens created by the Security Agreement are valid, effective, properly perfected, and enforceable first-priority liens. The Maker hereby reaffirms the grant of all liens to which it has previously granted to the Lender.

4. Conditions Precedent. The obligation of the Lender to make the Loan is subject to the satisfaction on or before the date of this Note of each of the following express conditions precedent:

(a) The Lender shall have received each of the following (each to be properly executed, dated, and completed), in form and substance satisfactory to the Lender:

(i) this Note duly executed by the Maker;

(ii) the Amended and Restated Secured Promissory Note of even date herewith in the principal amount of \$27,500.00 (the "A&R Note"), duly executed by the Maker payable to the order of the Lender; and

(iii) a certificate of an officer of the Maker, dated as of the date of this Note, as to (A) the incumbency and signature of the officers who have signed this Note and any other documents or materials to be delivered by the Maker to the Lender pursuant to this Note; (B) the adoption and continued effect of resolutions of the governing body of the Maker authorizing the execution, delivery, and performance of this Note, together with copies of those resolutions; and (C) the accuracy and completeness of copies of the organizational documents of the Maker, as amended to date, attached thereto.

(b) The Lender shall have received such other agreements, instruments, documents, certificates, and opinions as the Lender or its counsel may reasonably request.

5. Covenants. From and after the date of this Note and until the entire amount of principal of and interest due on the Loan, and all other amounts of fees and payments due under this Note and the Security Agreement, are paid in full, the Maker shall:

(a) provide to the Lender, as soon as available, and in any event within one hundred twenty (120) days after the close of each fiscal year, a copy of the detailed annual financial statements of the Maker prepared in reasonable detail and in accordance with generally accepted accounting principles;

(b) provide to the Lender, as soon as available, and in any event within thirty (30) days after the end of each fiscal quarter, (i) a company-prepared balance sheet of the Maker as of the end of each such fiscal quarter and of the prior four fiscal quarters; and (ii) statements of income of the Maker for each such fiscal quarter and for the prior four fiscal quarters, all in reasonable detail and certified as true and correct, subject to audit and normal year-end adjustments, by the manager of the Maker;

(c) promptly upon formation or acquisition of any subsidiary after the date hereof, cause such newly formed or acquired subsidiary to become a guarantor of the Maker's obligations under this Note by executing a guaranty and to secure such guaranty by granting the Lender a security interest in all assets of such subsidiary by executing a security agreement, as the Lender may require, and the Maker shall also deliver to the Lender, or cause such subsidiary to deliver to the Lender, such other instruments, documents, and certificates required by the Lender; and

(d) promptly upon formation or acquisition of any subsidiary after the date hereof, cause such newly formed or acquired subsidiary to become a guarantor of the Maker's obligations under this Note by executing a guaranty and to secure such guaranty by granting the Lender a security interest in all assets of such subsidiary by executing a security agreement, as the Lender may require, and the Maker shall also deliver to the Lender, or cause such subsidiary to deliver to the Lender, such other instruments, documents, and certificates required by the Lender; and

(e) offer a minimum discount of 35% off all services provided to tenants of the Whitewater University Technology Park and the Whitewater Business Park, each located in Whitewater, Wisconsin.

6. Events of Default. As used in this Note, "Event of Default" shall mean any one of the following:

(a) The Maker shall fail to pay any sum when due or perform any covenant, agreement, or obligation hereunder or under the A&R Note or the Security Agreement, or an event of default shall occur under the A&R Note or the Security Agreement;

(b) a default or an event of default shall occur under any other agreement evidencing indebtedness of the Maker and such default (i) consists of the failure to pay such indebtedness when due, whether by acceleration or otherwise, or (ii) accelerates the maturity of such indebtedness or permits the holder or holders thereof, or any trustee or agent for such holder or holders, to cause such indebtedness to become due and payable (or require the Maker to purchase, defease, or redeem such indebtedness or post cash collateral in respect thereof) prior to the expressed maturity of such indebtedness;

(c) The Maker makes an assignment for the benefit of creditors, fails to pay, or admits in writing its inability to pay its debts as they mature, or if a trustee of any substantial part of the assets of the Maker is applied for or appointed; and

(d) Any proceeding involving the Maker is commenced by or against the Maker under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, or liquidation law or statute of the federal government or any state government.

7. Remedies.

(a) Upon the occurrence of an Event of Default under Section 6(a) or Section 6(b), the Lender may, upon notice and demand to the Maker, declare the entire amount of unpaid principal and accrued and unpaid interest under this Note immediately due and payable. Upon

the occurrence of an Event of Default under Section 6(c) or Section 6(d), the entire amount of unpaid principal and accrued and unpaid interest under this Note automatically shall become immediately due and payable.

(b) Upon the occurrence of an Event of Default, the Maker hereby agrees to pay all reasonable fees and expenses incurred by the Lender, including reasonable attorneys' fees of counsel, in connection with the protection and enforcement of the rights of the Lender under this Note, including without limitation the collection of any amounts due under this Note and the protection and enforcement of such rights in any bankruptcy, reorganization, or insolvency proceeding involving the Maker.

(c) While any Event of Default exists, at the option of the Lender, the principal amount outstanding under this Note shall bear interest at a rate equal to fifteen percent (15%) per annum.

(d) No remedy herein conferred upon the Lender is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Note or now or hereafter existing by law. No failure or delay on the part of the Lender in exercising any right or remedy hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right hereunder preclude other or further exercise.

8. Waiver. The Maker and all endorsers hereof hereby waive presentment, demand for payment, notice of dishonor, notice of nonpayment, protest and notice of protest, and all other notices and demands in connection with the delivery, acceptance, performance, default or enforcement of this Note, and agree that the liability of the Maker shall be unconditional without regard to the liability of any other party and shall not be affected by any indulgence, extension of time, waiver, release of any party or of any of the Collateral (as defined in the Security Agreement), or other modification granted or consented to by the Maker or holder hereof.

9. Future Convertibility. For the avoidance of doubt, prior to the occurrence of both (x) the Series A Round and (y) either (i) or (ii) in the following sentence, this Note shall not be convertible. Upon the occurrence of both (x) the Series A Round and (y) either (i) any assignment by Lender of this Note, any such assignment which shall be exempt from the registration requirements of the Securities Act of 1933, as amended, and shall not cause the offering pursuant to which Lender originally acquired the Note to be ineligible for an exemption from such registration requirements as a condition thereto, or (ii) the date on which the original Lender becomes legally permitted to hold equity securities, this Note shall have the conversion rights as follows.

(a) All of the outstanding principal balance and accrued but unpaid interest under this Note shall be convertible, at the option of the holder thereof, without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable Series B Nonvoting Common Stock shares or other class of stock issued in conjunction with the Maker's first offering of its equity securities in which the gross proceeds from such offering equal or exceed \$1,000,000 (the "Series A Round") as is determined by the stipulated valuation, actual

valuation, or stipulated valuation cap agreed to by Maker and the investors in such Series A Round. (such Series B shares or such other class of shares, the “Shares”)

(b) Any such holder shall effect conversions by providing the Maker with a notice of conversion specifying the amount of this Note to be converted and the date on which such conversion is to be effected (such date, the “Conversion Date”). If no Conversion Date is specified in a notice of conversion, the Conversion Date shall be the date that such notice of conversion to the Maker is deemed delivered hereunder. The Maker’s obligation to issue and deliver the Shares acquired by such holder upon delivery to Maker of a notice of conversion in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by a holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by such holder or any other person of any obligation to the Maker.

(c)

(i) If the Maker, at any time while this Note is outstanding: (A) pays a unit dividend or otherwise makes a distribution or distributions payable in Shares or any other Share Equivalents (defined below); or (B) subdivides outstanding Shares into a larger number of Shares or consolidates outstanding Shares into a smaller number of Shares; then the number of Shares issuable hereunder shall be multiplied by a fraction of which the numerator shall be the number of Shares outstanding immediately after such event and of which the denominator shall be the number of Shares (excluding any treasury units of the Maker) outstanding immediately before such event. For purposes of this Note, “Share Equivalents” means any securities of the Maker or its subsidiaries which would entitle the holder thereof to acquire at any time Shares, including, without limitation, any debt, units other than the Shares, rights, options, warrants or other instrument that is at any time convertible into or exchangeable for, or otherwise entitles the holder thereof to receive, Shares.

(ii) The Maker shall not, at any time while this Note is outstanding, distribute to all holders of Shares (and not to the holder of this Note) evidences of its indebtedness or assets (including cash or cash dividends).

(iii) If, at any time while this Note is outstanding, (i) the Maker effects any merger or consolidation of the Maker with or into another person, (ii) the Maker effects any sale of all or substantially all of its assets in one transaction or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Maker or another person) is completed pursuant to which holders of Shares are permitted to tender or exchange their units for other securities, cash or property, or (iv) the Maker effects any reclassification of the Shares or any compulsory unit exchange pursuant to which the Shares are effectively converted into or exchanged for other securities, cash or property (in any such case, a “Fundamental Transaction”), then, upon any subsequent conversion of this Note, the holder hereof shall have the right to receive, for each Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction, the same kind and amount of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of one

Share (the “Alternate Consideration”). For purposes of any such conversion, the number of Shares issuable upon conversion hereof shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Share in such Fundamental Transaction. If holders of Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the holder hereof shall be given the same choice as to the Alternate Consideration it receives upon any conversion of this Note following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Maker or surviving entity in such Fundamental Transaction shall issue to the holder hereof new secured convertible notes consistent with the foregoing provisions and evidencing such holder’s right to convert such note into Alternate Consideration. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this Section 9(c)(iv) and insuring that this Note (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction.

(iv) If any event occurs of the type contemplated by the provisions of this Section 9(c) but not expressly provided for by such provisions (including, without limitation, the granting of unit appreciation rights, phantom unit rights or other rights with equity features), then the Maker’s Board of Directors in good faith will make an appropriate adjustment in the number of Shares issuable upon conversion of this Note so as to be equitable under the circumstances and otherwise protect the rights of the holder of this Note; provided that no such adjustment will decrease the number of Shares issuable upon conversion of this Note as otherwise determined pursuant to this Section 9(c).

10. Successors and Assigns. The Maker may not assign this Note without the consent of the Lender or the holder of this Note. All the provisions hereof shall extend to and inure to the benefit of the Lender and any and all person(s) hereunder from time to time owning or holding this Note, and their respective heirs, legal representatives, successors, and assigns.

11. Waiver of Jury Trial. **THE MAKER HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS NOTE. THE MAKER ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR THE MAKER AND THE LENDER TO ENTER INTO THIS NOTE, THAT THE MAKER AND THE LENDER HAVE RELIED ON THE WAIVER IN ENTERING INTO AND MAKING THE ADVANCES EVIDENCED UNDER THIS NOTE, AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. THE MAKER FURTHER WARRANTS AND REPRESENTS THAT THE MAKER HAS REVIEWED THIS WAIVER WITH, OR HAS BEEN GIVEN THE OPPORTUNITY TO REVIEW THIS WAIVER WITH, ITS LEGAL COUNSEL, AND THAT THE MAKER KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.**

12. Governing Law; Venue. This Note shall be governed by, and shall be construed and enforced in accordance with, the internal laws of the State of Wisconsin, without regard to conflicts of laws principles. Any action arising from or relating in any way to this Note shall be tried only in the state or federal courts situated in the Eastern District of Wisconsin. The Maker

consents to jurisdiction and venue in those courts to the greatest extent allowed by law. The party that substantially prevails in any action to enforce any provision of this Note shall recover all costs and attorneys' fees incurred in connection with the action.


13. Miscellaneous. If any provision of this Note is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Note shall remain in full force and effect and shall be liberally construed in favor of the Lender in order to effect the provisions of this Note. The Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Lender, and then only to the extent specifically set forth in the waiver. A waiver on one event shall not be construed as continuing or as a bar to or waiver of any right or remedy to a subsequent event. This Note may not be changed or terminated orally, but only by an agreement in writing signed by the party against whom enforcement of such change or termination is sought.

14. Further Assurance. From and after the date of this Note, each party agrees that it shall execute and deliver such document and take such action as may be reasonably requested by the other party to carry out the purposes and the transactions contemplated hereby.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Maker, intending to be legally bound hereby, has executed these presents the day and year first written above.

INVENTALATOR, INC.

By:   
Name: Coby Skonord  
Title: President, Secretary, and Treasurer



## SCHEDULE 1

Level	Revenues	Applicable Percentage	Payment Amount
1	\$1 to \$500,000	1.00%	Level 1
2	\$500,001 to \$1,000,000	1.50%	Sum of Levels 1 and 2
3	\$1,000,001 to \$1,500,000	2.00%	Sum of Levels 1 though 3
4	\$1,500,001 to \$2,000,000	2.50%	Sum of Levels 1 though 4
5	\$2,000,001 to \$2,500,000	3.00%	Sum of Levels 1 though 5
6	\$2,500,001 to \$3,000,000	3.50%	Sum of Levels 1 though 6
7	\$3,000,001 to \$3,500,000	4.00%	Sum of Levels 1 though 7
8	\$3,500,001 to \$4,000,000	4.50%	Sum of Levels 1 though 8
9	Greater than or equal to \$4,000,001	5.00%	Sum of Levels 1 though 9

As an example for illustrative purposes only, if the Maker's Revenues are \$1,250,000, the payment amount would be as follows: the sum of (a) \$500,000 multiplied by 1.00% (total \$5,000), plus (b) \$500,000 multiplied by 1.50% (total \$7,500), plus (c) \$250,000 multiplied by 2.00% (total \$5,000) = \$17,500.

GENERAL BUSINESS SECURITY AGREEMENT

Dated December 22, 2014

1. SECURITY INTEREST

In consideration of any financial accommodation at any time granted by COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN ("Lender") to INVENTALATOR, INC. ("Borrower"), each of the undersigned ("Debtor," whether one or more) grants Lender a security interest in all equipment, fixtures, inventory, documents, general intangibles, accounts, deposit accounts (unless a security interest would render a nontaxable account taxable), contract rights, chattel paper, patents, trademarks and copyrights (and the good will associated with and registrations and licenses of any of them), instruments, letter of credit rights and investment property, now owned or hereafter acquired by Debtor (or by Debtor with spouse), and all additions and accessions to, all spare and repair parts, special tools, equipment and replacements for, software used in, all returned or repossessed goods the sale of which gave rise to and all proceeds, supporting obligations and products of the foregoing ("Collateral"), wherever located, to secure all debts, obligations and liabilities to Lender arising out of credit previously granted, credit contemporaneously granted and credit granted in the future by Lender to any Debtor, or any Borrower, to any of them and another, or to another guaranteed or endorsed by any of them ("Obligations").

2. DEBTOR'S WARRANTIES

Debtor warrants and agrees that while any of the Obligations are unpaid:

(a) **Ownership and use.** Debtor owns (or with spouse owns) the Collateral free of all encumbrances and security interests (except Lender's security interest). Chattel paper constituting Collateral evidences a perfected security interest in the goods (including software used in the goods) covered by it, free from all other encumbrances and security interests, and no financing statement is on file or control agreement in existence (other than Lender's) covering the Collateral or any of it. Debtor, acting alone, may grant a security interest in the Collateral and agree to the terms of this Agreement. The Collateral is used or bought for use primarily for business purposes.

(b) **Sale of goods or services rendered.** Each account and chattel paper constituting Collateral as of this date arose from the performance of services by Debtor or from a bona fide sale or lease of goods, which have been delivered or shipped to the account debtor and for which Debtor has genuine invoices, shipping documents or receipts.

(c) **Enforceability.** Each account, contract right and chattel paper constituting Collateral as of this date is genuine and enforceable against the account debtor according to its terms. It and the transaction out of which it arose comply with all applicable laws and regulations. The amount represented by Debtor to Lender as owing by each account debtor is the amount actually owing and is not subject to setoff, credit, allowance or adjustment, except discount for prompt payment, nor has any account debtor returned the goods or disputed liability.

(d) **Due date.** There has been no default as of this date according to the terms of any chattel paper or account constituting Collateral and no step has been taken to foreclose the security interest it evidences or otherwise enforce its payment.

(e) **Financial condition of account debtor.** As of this date Debtor has no notice or knowledge of anything which might impair the credit standing of any account debtor and Debtor will advise Lender upon receipt of any such notice or knowledge affecting Collateral.

(f) **Valid organization.** If a corporation, limited liability company or general or limited partnership, Debtor is duly organized, validly existing and in good standing under the laws of the state of organization and is authorized to do business in Wisconsin.

(g) **Other agreements.** Debtor is not in default under any agreement for the payment of money.

(h) **Authority to contract.** The execution and delivery of this Agreement and any instruments evidencing Obligations will not violate or constitute a breach of Debtor's articles of incorporation or organization, by-laws, partnership agreement, operating agreement or any other agreement or restriction to which Debtor is a party or is subject.

(i) **Accuracy of information.** All information, certificates or statements given to Lender pursuant to this Agreement shall be true and complete when given.

(j) **Name and address.** Debtor's exact legal name is as set forth below Section 12. If Debtor is an individual, Debtor separately provided to Lender the name of Debtor as it is indicated on Debtor's current unexpired driver's license or, if applicable for UCC financing statements, identification card issued by Debtor's state of principal residence, and the address of Debtor's principal residence is as set forth below Section 12. If Debtor is an organization that has only one place of business, the address of Debtor's place of business, or if Debtor has more than one place of business, then the address of Debtor's chief executive office, is as set forth below Section 12.

(k) **Location.** The address where the Collateral will be kept, if different from that appearing below Section 12, is

Such location shall not be changed without prior written consent of Lender, but the parties intend that the Collateral, wherever located, is covered by this Agreement.

(l) **Organization.** If Debtor is an organization, the type of organization and the state under whose law it is organized are as set forth below Section 12.

(m) **Environmental laws.** (i) No substance has been, is or will be present, used, stored, deposited, treated, recycled or disposed of on, under, in or about any real estate now or at any time owned or occupied by Debtor ("Property") during the period of Debtor's ownership or use of the Property in a form, quantity or manner which if known to be present on, under, in or about the Property would require clean-up, removal or some other remedial action ("Hazardous Substance") under any federal, state or local laws, regulations, ordinances, codes or rules ("Environmental Laws"), (ii) Debtor has no knowledge, after due inquiry, of any prior use or existence of any Hazardous Substance on the Property by any prior owner or person using the Property, (iii) without limiting the generality of the foregoing, Debtor has no knowledge, after due inquiry, that the Property contains asbestos, polychlorinated biphenyl components (PCBs) or underground storage tanks, (iv) there are no conditions existing currently or likely to exist during the term of this Agreement which would subject Debtor to any damages, penalties, injunctive relief or clean-up costs in any governmental or regulatory action or third-party claim relating to any Hazardous Substance, (v) Debtor is not subject to any court or administrative proceeding, judgment, decree, order or citation relating to any Hazardous Substance, and (vi) Debtor in the past has been, at the present is, and in the future will remain in compliance with all Environmental Laws. Debtor shall indemnify and hold harmless Lender, its directors, officers, employees and agents from all loss, cost (including reasonable attorneys' fees and legal expenses), liability and damage whatsoever directly or indirectly resulting from, arising out of, or based upon (1) the presence, use, storage, deposit, treatment, recycling or disposal, at any time, of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from the Property, (2) the violation or alleged violation of any Environmental Law, permit, judgment or license relating to the presence, use, storage, deposit, treatment, recycling or disposal of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from Property, or (3) the imposition of any governmental lien for the recovery of environmental clean-up costs expended under any Environmental Law. Debtor shall immediately notify Lender in writing of any governmental or regulatory action or third-party claim instituted or threatened in connection with any Hazardous Substance described above on, in, under or about the Property.

(n) **Employees.** There are no unpaid wages due employees of Debtor and there are no outstanding liens against assets of Debtor for unpaid wages due employees of Debtor.

(o) **Fixtures.** If any of the Collateral is affixed to real estate, the legal description of the real estate set forth in each UCC Financing Statement signed or authorized by Debtor is true and correct.

3. SHIPPERS

Shippers authorized to draw drafts on Lender under section 6(c) are:

4. SALE AND COLLECTIONS

(a) **Sale of Inventory.** So long as no default exists under any of the Obligations or this Agreement, Debtor may (a) sell inventory in the ordinary course of Debtor's business for cash or on terms customary in the trade, at prices not less than any minimum sale price shown on instruments evidencing Obligations and describing inventory, or (b) lease or license inventory on terms customary in the trade.

(b) **Verification and notification.** Lender may verify Collateral in any manner, and Debtor shall assist Lender in so doing. Upon default Lender may at any time and Debtor shall, upon request of Lender, notify the account debtors or other persons obligated on the Collateral to make payment directly to Lender and Lender may enforce collection of, settle, compromise, extend or renew the indebtedness of such account debtors or other persons obligated on the Collateral. Until account debtors or other persons obligated on the Collateral are so notified, Debtor, as agent of Lender, shall make collections and receive payments on the Collateral.

(c) **Deposit with Lender.** At any time Lender may require that all proceeds of Collateral received by Debtor shall be held by Debtor upon an express trust for Lender, shall not be commingled with any other funds or property of Debtor and shall be turned over to Lender in precisely the form received (but endorsed by Debtor if necessary for collection) not later than the business day following the day of their receipt. Except as provided in Section 4(d) below, all proceeds of Collateral received by Lender directly or from Debtor shall be applied against the Obligations in such order and at such times as Lender shall determine.

(d) **Accounting.** If the extent to which Lender's security interest in the Collateral is a purchase money security interest depends on the application of a payment to a particular obligation of Debtor, the payment shall first be applied to obligations of Debtor for which Debtor did not create a security interest in the order in which those obligations were incurred and then to obligations of Debtor for which Debtor did create a security interest, including the Obligations secured by the Collateral, in the order in which those obligations were incurred; provided, however, that Lender shall retain its security interest in all Collateral regardless of the allocation of payments.

ADDITIONAL PROVISIONS



## 5. DEBTOR'S COVENANTS

(a) **Maintenance of Collateral.** Debtor shall: maintain the Collateral in good condition and repair and not permit its value to be impaired; keep it free from all liens, encumbrances and security interests (other than Lender's security interest); defend it against all claims and legal proceedings by other than Lender; pay and discharge when due all taxes, license fees, levies and other charges upon it; not sell, lease, license or otherwise dispose of it or permit it to become a fixture or an accession to other goods, except for sales, leases or licenses of inventory as provided in this Agreement; not permit it to be used in violation of any applicable law, regulation or policy of insurance; and, as to Collateral consisting of instruments, chattel paper and letter of credit rights, preserve rights in it against prior parties. Loss of or damage to the Collateral shall not affect the liabilities of any Debtor or Borrower under this Agreement, the Obligations or other rights of Lender with respect to the Collateral. Item 4.

(b) **Insurance.** Debtor shall keep the Collateral and Lender's interest in it insured under policies with such provisions, for such amounts and by such insurers as shall be satisfactory to Lender from time to time, and shall furnish evidence of such insurance satisfactory to Lender. Subject to Lender's satisfaction, Debtor is free to select the insurance agent or insurer through which the insurance is obtained. Debtor assigns (and directs any insurer to pay) to Lender the proceeds of all such insurance and any premium refund, and authorizes Lender to endorse in the name of Debtor any instruments for such proceeds or refunds and, at the option of Lender, to apply such proceeds and refunds to any unpaid balance of the Obligations, whether or not due, and/or to restoration of the Collateral, returning any excess to Debtor. Each insurance policy shall contain a standard lender's loss payable endorsement in favor of Lender, and shall provide that the policy shall not be cancelled, and the coverage shall not be reduced, without at least 10 days' prior written notice by the insurer to Lender. Lender is authorized, in the name of Debtor or otherwise, to make, adjust and/or settle claims under any credit insurance financed by Lender or any insurance on the Collateral, or cancel the same after the occurrence of an event of default. If Debtor fails to keep any required insurance on the Collateral, Lender may purchase such insurance for Debtor, such insurance may be acquired by Lender solely to protect the interest of Lender (and will not cover Debtor's equity in the Collateral), and Debtor's obligation to repay Lender shall be in accordance with Section 6(a).

(c) **Maintenance of security interest.** Debtor shall pay all expenses and upon request, take any action reasonably deemed advisable by Lender to preserve the Collateral or to establish, evidence, determine and maintain priority of, perfect, continue perfected, terminate and/or enforce Lender's interest in it or rights under this Agreement. Debtor authorizes Lender to file Uniform Commercial Code financing statements describing the Collateral (including describing the Collateral as "all assets" or with words of similar effect) and amendments and correction statements to such financing statements and ratifies any such financing statement or amendment filed prior to the date of this Agreement. Debtor will obtain for and provide to Lender control of Collateral or other security for the Obligations for which control may be required or requested to perfect Lender's security interest under applicable law, including, without limitation, the execution of control agreements by and between Debtor, Lender and any necessary third party. If the Collateral is in possession of a third party, Debtor will also join with Lender at its request in notifying the third party of Lender's security interest and obtaining an acknowledgment from the third party that it is holding the Collateral for the benefit of Lender.

(d) **Taxes and other charges.** Debtor shall pay and discharge all lawful taxes, assessments and government charges upon Debtor or against its properties prior to the date on which penalties attach, unless and to the extent only that such taxes, assessments and charges are contested in good faith and by appropriate proceedings by Debtor.

(e) **Employees.** Debtor shall pay all wages when due to employees of Debtor and shall not permit any lien to exist against the assets of Debtor for unpaid wages due employees of Debtor.

(f) **Records and statements.** Debtor shall furnish to Lender financial statements at least annually and such other financial information respecting Debtor at such times and in such form as Lender may request. Debtor shall keep accurate and complete records respecting the Collateral in such form as Lender may approve. At such times as Lender may require, Debtor shall furnish to Lender a statement certified by Debtor and in such form and containing such information as may be prescribed by Lender, showing the current status and value of the Collateral. Debtor shall furnish to Lender such reports regarding the payment of wages to employees of Debtor and the number of employees of Debtor as Lender may from time to time request, and without request shall furnish to Lender a written report immediately upon any material increase in the number of employees of Debtor, the failure of Debtor to pay any wages when due to employees of Debtor or the imposition of any lien against the assets of Debtor for unpaid wages due employees of Debtor.

(g) **Inspection of Collateral.** At reasonable times Lender may examine the Collateral and Debtor's records pertaining to it, wherever located, and make copies of records, and Debtor shall assist Lender in so doing.

(h) **Service charge.** In addition to the required payments under the Obligations and this Agreement, Debtor shall pay Lender's then current service charges for servicing and auditing in connection with this Agreement.

(i) **Chattel paper.** Lender may require that chattel paper constituting Collateral shall be on forms approved by Lender. Unless it consists of electronic chattel paper, Debtor shall promptly mark all chattel paper constituting Collateral, and all copies, to indicate conspicuously Lender's interest and, upon request, deliver them to Lender. If it consists of electronic chattel paper, Debtor shall promptly notify Lender of the existence of the electronic chattel paper and, at the request of Lender, shall take such actions as Lender may reasonably request to vest in Lender control of such electronic chattel paper under applicable law.

(j) **United States contracts.** If any Collateral arose out of contracts with the United States or any of its departments, agencies or instrumentalities, Debtor will notify Lender and execute writings required by Lender in order that all money due or to become due under such contracts shall be assigned to Lender and proper notice of the assignment given under the Federal Assignment of Claims Act.

(k) **Modifications.** Without the prior written consent of Lender, Debtor shall not alter, modify, extend, renew or cancel any accounts, letter of credit rights or chattel paper constituting Collateral or any Collateral constituting part of the Debtor's borrowing base.

(l) **Returns and repossessions.** Debtor shall promptly notify Lender of the return to or repossession by Debtor of goods underlying any Collateral and Debtor shall hold and dispose of them only as Lender directs.

(m) **Promissory Notes, Chattel Paper and Investment Property.** If Debtor shall at any time hold or acquire Collateral consisting of promissory notes, chattel paper or certificated securities, Debtor shall endorse, assign and deliver the same to Lender accompanied by such instruments of transfer or assignment duly executed in blank as Lender may from time to time request.

(n) **Change of name, address or organization.** Debtor shall not change (i) Debtor's legal name, (ii) if Debtor is an individual Debtor's name as it is indicated on Debtor's current unexpired driver's license or, if applicable for UCC financing statements, identification card issued by Debtor's state of principal residence, or (iii) Debtor's address, in each case without providing at least 30 days' prior written notice of the change to Lender. If Debtor is an individual, Debtor shall provide to Lender at least 30 days' written notice of any expiration of Debtor's driver's license or, if applicable for UCC financing statements, identification card issued by Debtor's state of principal residence. If Debtor is an organization it shall not change its type of organization or state under whose law it is organized and shall preserve its organizational existence, and Debtor whether or not Debtor is an organization shall not, in one transaction or in a series of related transactions, merge into or consolidate with any other organization, change Debtor's legal structure or sell or transfer all or substantially all of Debtor's assets.

## 6. RIGHTS OF LENDER

(a) **Authority to perform for Debtor.** Upon the occurrence of an event of default or if Debtor fails to perform any of Debtor's duties set forth in this Agreement or in any evidence of or document relating to the Obligations, Lender is authorized, in Debtor's name or otherwise, to take any such action including without limitation signing Debtor's name or paying any amount so required, and the cost shall be one of the Obligations secured by this Agreement and shall be payable by Debtor upon demand with interest from the date of payment by Lender at the highest rate stated in any evidence of any Obligation but not in excess of the maximum rate permitted by law.

(b) **Charging Debtor's credit balance.** Unless a lien would be prohibited by law or would render a nontaxable account taxable, Debtor grants Lender, as further security for the Obligations, a security interest and lien in any deposit account Debtor may at any time have with Lender and other money now or hereafter owed Debtor by Lender, and agrees that Lender may, at any time after the occurrence of an event of default, without prior notice or demand, set-off all or any part of the unpaid balance of the Obligations against any deposit balances or other money now or hereafter owed Debtor by Lender.

(c) **Power of attorney.** Debtor irrevocably appoints any officer of Lender as Debtor's attorney, with power after an event of default to receive, open and dispose of all mail addressed to Debtor (and Lender shall not be required as a condition to the exercise of this power to prove the occurrence of an event of default to the Post Office); to notify the Post Office authorities to change the address for delivery of all mail addressed to Debtor to such address as Lender may designate; to endorse the name of Debtor upon any instruments which may come into Lender's possession; and to sign and make draws under any letter of credit constituting Collateral on Debtor's behalf. Debtor agrees that Obligations may be created by drafts drawn on Lender by shippers of inventory named in Section 3. Debtor authorizes Lender to honor any such draft accompanied by invoices aggregating the amount of the draft and describing inventory to be shipped to Debtor and to pay any such invoices not accompanied by drafts. Debtor appoints any employee of Lender as Debtor's attorney, with full power to sign Debtor's name on any instrument evidencing an Obligation, or any renewals or extensions, for the amount of such drafts honored by Lender and such instruments may be payable at fixed times or on demand, shall bear interest at the rate from time to time fixed by Lender and Debtor agrees, upon request of Lender, to execute any such instruments. This power of attorney to execute instruments may be revoked by Debtor only by written notice to Lender and no such revocation shall affect any instruments executed prior to the receipt by Lender of such notice. All acts of such attorney are ratified and approved and such attorney is not liable for any act or omission or for any error of judgment or mistake of fact or law. This power is a power coupled with an interest and is given as security for the Obligations, and the authority conferred by this power is and shall be irrevocable and shall remain in full force and effect until renounced by Lender except as otherwise expressly provided in this Section 6(c).

(d) **Non-liability of Lender.** Lender has no duty to determine the validity of any invoice, the authority of any shipper named in section 3 to ship goods to Debtor or compliance with any order of Debtor. Lender has no duty to protect, insure, collect or realize upon the Collateral or preserve rights in it against prior parties. Debtor releases Lender from any liability for any act or omission relating to the Obligations, the Collateral or this Agreement, except Lender's willful misconduct.

7. DEFAULT

Item 4.

Upon the occurrence of one or more of the following events of default:

- (a) **Nonperformance.** Any of the Obligations are not paid when due, or Borrower or Debtor, as applicable, fails to perform, or rectify breach or, any warranty or covenant or other undertaking in this Agreement or in any evidence of or document relating to the Obligations or an event of default occurs under any evidence of or document relating to any other obligation secured by the Collateral;
  - (b) **Inability to Perform.** Borrower, Borrower's spouse, Debtor or a guarantor or surety of any of the Obligations dies, ceases to exist, becomes insolvent or the subject of bankruptcy or insolvency proceedings or any guaranty of the Obligations is revoked or becomes unenforceable for any reason;
  - (c) **Misrepresentation.** Any warranty or representation made to induce Lender to extend credit to Debtor or Borrower, under this Agreement or otherwise, is false in any material respect when made; or
  - (d) **Insecurity.** At any time Lender believes in good faith that the prospect of payment or performance of any of the Obligations or performance under any agreement securing the Obligations is impaired;
- all of the Obligations shall, at the option of Lender and without notice or demand, become immediately payable; and Lender shall have all rights and remedies for default provided by the Wisconsin Uniform Commercial Code and this Agreement, as well as any other applicable law, and under any evidence of or document relating to any Obligation, and all such rights and remedies are cumulative and may be exercised from time to time together, separately, and in any order. With respect to such rights and remedies:
- (e) **Repossession.** Lender may take possession of Collateral without notice or hearing, which Debtor waives;
  - (f) **Assembling collateral.** Lender may require Debtor to assemble the Collateral and to make it available to Lender at any place reasonably designated by Lender;
  - (g) **Notice of disposition.** Written notice, when required by law, sent to any address of Debtor in this Agreement at least 10 calendar days (counting the day of sending) before the date of a proposed disposition of the Collateral is reasonable notice;
  - (h) **Expenses and application of proceeds.** Debtor shall reimburse Lender for any expense incurred by Lender in protecting or enforcing its rights under this Agreement, before and after judgment, including, without limitation, reasonable attorneys' fees and legal expenses (including those incurred in successful defense or settlement of any counterclaim brought by Debtor or incident to any action or proceeding involving Debtor brought pursuant to the United States Bankruptcy Code) and all expenses of taking possession, holding, preparing for disposition and disposing of Collateral (provided, however, Lender has no obligation to clean-up or otherwise prepare the Collateral for sale). After deduction of such expenses, Lender shall apply the proceeds of disposition to the extent actually received in cash to the Obligations in such order and amounts as it elects or as otherwise required by this Agreement. If Lender sells any Collateral on credit, Debtor will be credited only with payments that the purchaser actually makes and that Lender actually receives and applies to the unpaid balance of the purchase price of the Collateral; and
  - (i) **Waiver.** Lender may permit Debtor or Borrower to remedy any default without waiving the default so remedied, and Lender may waive any default without waiving any other subsequent or prior default by Borrower or Debtor. Lender shall continue to have all of its rights and remedies under this Agreement even if it does not fully and properly exercise them on all occasions.

8. WAIVER AND CONSENT

Each Debtor who is not also a Borrower expressly consents to and waives notice of the following by Lender without affecting the liability of any such Debtor: (a) the creation of any present or future Obligation, default under any Obligation, proceedings to collect from any Borrower or anyone else, (b) any surrender, release, impairment, sale or other disposition of any security or collateral for the Obligations, (c) any release or agreement not to sue any guarantor or surety of the Obligations, (d) any failure to perfect a security interest in or realize upon any security or collateral for the Obligations, (e) any failure to realize upon any of the Obligations or to proceed against any Borrower or any guarantor or surety, (f) any renewal or extension of the time of payment, (g) any allocation and application of payments and credits and acceptance of partial payments, (h) any application of the proceeds of disposition of any collateral for the Obligations to any obligation of any Debtor or Borrower secured by such collateral in such order and amounts as it elects, (i) any determination of what, if anything, may at any time be done with reference to any security or collateral, and (j) any settlement or compromise of the amount due or owing or claimed to be due or owing from any Borrower, guarantor or surety.

9. INTERPRETATION

The validity, construction and enforcement of this Agreement are governed by the internal laws of Wisconsin except to the extent such laws are preempted by federal law. All terms not otherwise defined have the meanings assigned to them by the Wisconsin Uniform Commercial Code, as amended from time to time, provided, however, that the term "instrument" shall be such term as defined in the Wisconsin Uniform Commercial Code-Secured Transactions Chapter 409. All references in this Agreement to sections of the Wisconsin Statutes are to those sections as they may be renumbered from time to time. Invalidity of any provision of this Agreement shall not affect the validity of any other provision.

10. PERSONS BOUND

Each person signing this Agreement is a Debtor. All Debtors are jointly and severally liable under this Agreement. This Agreement benefits Lender, its successors and assigns, and binds Debtor(s) and their respective heirs, personal representatives, successors and assigns and shall bind all persons and entities who become bound as a debtor to this Agreement.  If checked here, this Agreement amends and replaces in their entirety the provisions of all existing General Business Security Agreements between Debtor and Lender; provided, however, that all security interests granted to Lender under those existing security agreements shall remain in full force and effect, subject to the provisions of this Agreement. Debtor acknowledges receipt of a completed copy of this Agreement.

11. ENTIRE AGREEMENT

THIS AGREEMENT IS INTENDED BY LENDER AND DEBTOR AS A FINAL EXPRESSION OF THIS AGREEMENT AND AS A COMPLETE AND EXCLUSIVE STATEMENT OF ITS TERMS, THERE BEING NO CONDITIONS TO THE ENFORCEABILITY OF THIS AGREEMENT, AND THIS AGREEMENT MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES TO THIS AGREEMENT. THERE ARE NO ORAL AGREEMENTS AMONG THE PARTIES TO THIS AGREEMENT. THIS AGREEMENT MAY NOT BE SUPPLEMENTED OR MODIFIED EXCEPT IN WRITING SIGNED BY LENDER AND DEBTOR.

12. OTHER PROVISIONS

(If none stated below, there are no other provisions.)

INVENTALATOR, INC. (SEAL) DEBTOR


(SEAL) DEBTOR

Address: 260 EAST HIGHLAND AVENUE, SUITE 500 SEE SECTION 2(j) and (k)

MILWAUKEE, WISCONSIN 53202

(CORPORATION) TYPE OF ORGANIZATION

(WISCONSIN) STATE OF ORGANIZATION

By:  (President, Secretary, and Treasurer)

TITLE

\* Coby Skonord

By: \_\_\_\_\_

( ) TITLE

\*

\*Type or print name signed above.

EXHIBIT 9



**City of**  
**WHITEWATER**  
COMMUNITY DEVELOPMENT AUTHORITY

August 26, 2020

Inventalator, Inc.  
Coby Skonord  
N31W23591 Rough Hill Road  
Pewaukee, WI 53072

Re: A payment of \$500.00 received on August 18, 2020 to be applied to the Inventalator, Inc. \$27,500.00 loan #910-15006.

A payment of \$500.00 received on August 18, 2020 to be applied to the Inventalator, Inc. \$77,500.00 loan #910-15012.

Dear Coby,

Thank you for your payments towards your Capital Catalyst loans. Pursuant to our conversation on August 18, 2020, your due dates are as follows:

- A. The maturity date on loan #910-15006 is deferred until February 1, 2021.
- B. The maturity date of April 8, 2021 on Loan #910-15012 remains unchanged.

Thank you for participating in the WEDC Capital Catalyst program, if you have any questions I can be reached at the office or via email.

Best regards,

  
Cathy

Cathy Anderson  
Economic Development Director  
(262) 473-0148  
[canderson@whitewater-wi.gov](mailto:canderson@whitewater-wi.gov)



**INVENTALATOR INC** 79-233/759  
**N31W23591 ROUGH HILL RD**  
**PEWAUKEE WI 53072** DATE 8/18/20

PAY TO THE ORDER OF Whitewater CDA \$ 500.00  
Five Hundred and 0/100 DOLLARS

**FIRST CITIZENS STATE BANK**  
 WWW.FIRSTCITIZENSWW.COM  
 262-473-2112

MEMO 910-15012 Chy Jho MP

⑆075902337⑆ 134797⑈

**INVENTALATOR INC** 79-233/759  
**N31W23591 ROUGH HILL RD**  
**PEWAUKEE WI 53072** DATE 8/18/20

PAY TO THE ORDER OF Whitewater CDA. \$ 500.00  
Five Hundred and 0/100 DOLLARS

**FIRST CITIZENS STATE BANK**  
 WWW.FIRSTCITIZENSWW.COM  
 262-473-2112

MEMO 910-15006 Chy Jho MP

⑆075902337⑆ 134797⑈



August 10, 2021

Inventalator, Inc.  
Coby Skonord  
N31W23591 Rough Hill Road  
Pewaukee, WI 53072

Re: Deferred loan dates

Dear Coby,

Thank you for your update, its exciting to hear you're on an upward path to a sustainable successful business. The CDA agrees to offer the following extensions:

- A. The maturity date on loan #910-15006 (\$27,500) has been deferred until February 1, 2022.
- B. The maturity date on Loan #910-15012 (\$75,000) has been deferred until August 1, 2022.

Thank you for participating in the WEDC Capital Catalyst program, if you have any questions I can be reached at the office or via email.

Best regards,

Cathy

Cathy Anderson  
Economic Development Director  
(262) 473-0148  
[canderson@whitewater-wi.gov](mailto:canderson@whitewater-wi.gov)



**AMENDED AND RESTATED SECURED PROMISSORY NOTE**

\$ 27,500.00

Whitewater, Wisconsin  
December 22, 2014  
as amended and restated on April 8, 2016

FOR VALUE RECEIVED, INVENTALATOR, INC., a Wisconsin corporation (the "Maker"), hereby promises to pay to the order of COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN (together with its successors and assigns, the "Lender"), the principal sum of Twenty Seven thousand Five hundred DOLLARS (\$27,500.00) (the "Loan"), together with all accrued and unpaid interest on the principal amount outstanding from the date hereof until paid in full, at such location as the Lender shall specify to the Maker.

1. Interest Rate and Payments. All unpaid principal and interest shall be due and payable under this Secured Promissory Note (this "Note") on December 22, 2019 (the "Maturity Date"). All payments of principal and accrued interest shall be made in lawful currency of the United States of America as follows:

(a) The unpaid principal amount of this Note shall bear interest at a fixed rate per annum equal to four percent (4.00%). All interest due under this Note shall be computed for the actual number of days outstanding on the basis of a 365-day year. If at any time and for any reason whatsoever, the interest rate payable hereunder shall exceed the maximum rate of interest permitted to be charged by the Lender to the Maker under applicable law, such interest rate shall be reduced automatically to the maximum rate of interest permitted to be charged under applicable law, with any excess interest collected being applied against principal.

(b) On December 22 of each year during the term of this Note (or if such date is not on a business day, the next succeeding business day), the Maker shall make a payment of principal and interest in an amount equal to the applicable percentage (the "Applicable Percentage") of the Maker's net revenues for the four fiscal quarters most recently ended ("Revenues"), as more fully described on Schedule 1 to this Note, with a final payment of all outstanding principal, accrued and unpaid interest, and all other amounts due and owing hereunder, if any, due on the Maturity Date. If Maker shall prepay the Note prior to the end of the fiscal year, than such payment shall be pro-rated on a per diem, 365-day year basis.

(c) Notwithstanding the foregoing, the Maker shall pay to the Lender all outstanding principal, accrued interest, and all other amounts owed hereunder upon the earliest to occur of the following: (i) the Maturity Date, or (ii) the acceleration of the amounts owing under this Note due to an Event of Default (as defined below). All payments hereunder will be applied first to accrued and unpaid interest and the balance, if any, to principal.

2. Prepayment. The Maker may make prepayments, in whole or in part, at any time prior to the Maturity Date without penalty. Prior to any such prepayment, the Maker shall provide the holder of this Note with at least ten (10) business days' prior written notice, and the holder shall have the opportunity to convert this Note in accordance with the terms hereof (if this Note is then convertible) in lieu of such prepayment.



3. Security. This Note is secured by the assets of the Maker as provided in that certain General Business Security Agreement dated as of December 22, 2014, by the Maker in favor of the Lender (the "Security Agreement"). The Maker acknowledges and agrees that the Security Agreement is fully enforceable against the Maker strictly in accordance with its terms. The Maker hereby ratifies and reaffirms the Security Agreement and acknowledges and agrees that the liens created by the Security Agreement are valid, effective, properly perfected, and enforceable first-priority liens. The Maker hereby reaffirms the grant of all liens to which it has previously granted to the Lender.

4. Conditions Precedent. The obligation of the Lender to make the Loan is subject to the satisfaction on or before the date of this Note of each of the following express conditions precedent:

(a) The Lender shall have received each of the following (each to be properly executed, dated, and completed), in form and substance satisfactory to the Lender:

(i) this Note duly executed by the Maker;

(ii) the Secured Promissory Note of even date herewith in the principal amount of \$77,500.00 (the "New Note"), duly executed by the Maker payable to the order of the Lender; and

(iii) a certificate of an officer of the Maker, dated as of the date of this Note, as to (A) the incumbency and signature of the officers who have signed this Note and any other documents or materials to be delivered by the Maker to the Lender pursuant to this Note; (B) the adoption and continued effect of resolutions of the governing body of the Maker authorizing the execution, delivery, and performance of this Note, together with copies of those resolutions; and (C) the accuracy and completeness of copies of the organizational documents of the Maker, as amended to date, attached thereto.

(b) The Lender shall have received such other agreements, instruments, documents, certificates, and opinions as the Lender or its counsel may reasonably request.

5. Covenants. From and after the date of this Note and until the entire amount of principal of and interest due on the Loan, and all other amounts of fees and payments due under this Note and the Security Agreement, are paid in full, the Maker shall:

(a) provide to the Lender, as soon as available, and in any event within one hundred twenty (120) days after the close of each fiscal year, a copy of the detailed annual financial statements of the Maker prepared in reasonable detail and in accordance with generally accepted accounting principles;

(b) provide to the Lender, as soon as available, and in any event within thirty (30) days after the end of each fiscal quarter, (i) a company-prepared balance sheet of the Maker as of the end of each such fiscal quarter and of the prior four fiscal quarters; and (ii) statements of income of the Maker for each such fiscal quarter and for the prior four fiscal quarters, all in reasonable detail and certified as true and correct, subject to audit and normal year-end adjustments, by the manager of the Maker;

(c) provide to the Lender such other financial information relating to the Maker and its business as may be requested by the Lender;

(d) promptly upon formation or acquisition of any subsidiary after the date hereof, cause such newly formed or acquired subsidiary to become a guarantor of the Maker's obligations under this Note by executing a guaranty and to secure such guaranty by granting the Lender a security interest in all assets of such subsidiary by executing a security agreement, as the Lender may require, and the Maker shall also deliver to the Lender, or cause such subsidiary to deliver to the Lender, such other instruments, documents, and certificates required by the Lender; and

(e) offer a minimum discount of 35% off all services provided to tenants of the Whitewater University Technology Park and the Whitewater Business Park, each located in Whitewater, Wisconsin.

6. Events of Default. As used in this Note, "Event of Default" shall mean any one of the following:

(a) The Maker shall fail to pay any sum when due or perform any covenant, agreement, or obligation hereunder or under the New Note or the Security Agreement, or an event of default shall occur under the New Note or the Security Agreement;

(b) a default or an event of default shall occur under any other agreement evidencing indebtedness of the Maker and such default (i) consists of the failure to pay such indebtedness when due, whether by acceleration or otherwise, or (ii) accelerates the maturity of such indebtedness or permits the holder or holders thereof, or any trustee or agent for such holder or holders, to cause such indebtedness to become due and payable (or require the Maker to purchase, defease, or redeem such indebtedness or post cash collateral in respect thereof) prior to the expressed maturity of such indebtedness;

(c) The Maker makes an assignment for the benefit of creditors, fails to pay, or admits in writing its inability to pay its debts as they mature, or if a trustee of any substantial part of the assets of the Maker is applied for or appointed; and

(d) Any proceeding involving the Maker is commenced by or against the Maker under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, or liquidation law or statute of the federal government or any state government.

7. Remedies.

(a) Upon the occurrence of an Event of Default under Section 6(a) or Section 6(b), the Lender may, upon notice and demand to the Maker, declare the entire amount of unpaid principal and accrued and unpaid interest under this Note immediately due and payable. Upon the occurrence of an Event of Default under Section 6(c) or Section 6(d), the entire amount of unpaid principal and accrued and unpaid interest under this Note automatically shall become immediately due and payable.

(b) Upon the occurrence of an Event of Default, the Maker hereby agrees to pay all reasonable fees and expenses incurred by the Lender, including reasonable attorneys' fees of counsel, in connection with the protection and enforcement of the rights of the Lender under this Note, including without limitation the collection of any amounts due under this Note and the protection and enforcement of such rights in any bankruptcy, reorganization, or insolvency proceeding involving the Maker.

(c) While any Event of Default exists, at the option of the Lender, the principal amount outstanding under this Note shall bear interest at a rate equal to fifteen percent (15%) per annum.

(d) No remedy herein conferred upon the Lender is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Note or now or hereafter existing by law. No failure or delay on the part of the Lender in exercising any right or remedy hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right hereunder preclude other or further exercise.

8. Waiver. The Maker and all endorsers hereof hereby waive presentment, demand for payment, notice of dishonor, notice of nonpayment, protest and notice of protest, and all other notices and demands in connection with the delivery, acceptance, performance, default or enforcement of this Note, and agree that the liability of the Maker shall be unconditional without regard to the liability of any other party and shall not be affected by any indulgence, extension of time, waiver, release of any party or of any of the Collateral (as defined in the Security Agreement), or other modification granted or consented to by the Maker or holder hereof.

9. Future Convertibility. For the avoidance of doubt, prior to the occurrence of both (x) the Series A Round and (y) either (i) or (ii) in the following sentence, this Note shall not be convertible. Upon the occurrence of both (x) the Series A Round and (y) either (i) any assignment by Lender of this Note, any such assignment which shall be exempt from the registration requirements of the Securities Act of 1933, as amended, and shall not cause the offering pursuant to which Lender originally acquired the Note to be ineligible for an exemption from such registration requirements as a condition thereto, or (ii) the date on which the original Lender becomes legally permitted to hold equity securities, this Note shall have the conversion rights as follows.

(a) All of the outstanding principal balance and accrued but unpaid interest under this Note shall be convertible, at the option of the holder thereof, without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable Series B Nonvoting Common Stock shares or other class of stock issued in conjunction with the Maker's first offering of its equity securities in which the gross proceeds from such offering equal or exceed \$1,000,000 (the "Series A Round") as is determined by the stipulated valuation, actual valuation, or stipulated valuation cap agreed to by Maker and the investors in such Series A Round. (such Series B shares or such other class of shares, the "Shares")

(b) Any such holder shall effect conversions by providing the Maker with a notice of conversion specifying the amount of this Note to be converted and the date on which such

conversion is to be effected (such date, the “Conversion Date”). If no Conversion Date is specified in a notice of conversion, the Conversion Date shall be the date that such notice of conversion to the Maker is deemed delivered hereunder. The Maker’s obligation to issue and deliver the Shares acquired by such holder upon delivery to Maker of a notice of conversion in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by a holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by such holder or any other person of any obligation to the Maker.

(c)

(i) If the Maker, at any time while this Note is outstanding: (A) pays a unit dividend or otherwise makes a distribution or distributions payable in Shares or any other Share Equivalents (defined below); or (B) subdivides outstanding Shares into a larger number of Shares or consolidates outstanding Shares into a smaller number of Shares; then the number of Shares issuable hereunder shall be multiplied by a fraction of which the numerator shall be the number of Shares outstanding immediately after such event and of which the denominator shall be the number of Shares (excluding any treasury units of the Maker) outstanding immediately before such event. For purposes of this Note, “Share Equivalents” means any securities of the Maker or its subsidiaries which would entitle the holder thereof to acquire at any time Shares, including, without limitation, any debt, units other than the Shares, rights, options, warrants or other instrument that is at any time convertible into or exchangeable for, or otherwise entitles the holder thereof to receive, Shares.

(ii) The Maker shall not, at any time while this Note is outstanding, distribute to all holders of Shares (and not to the holder of this Note) evidences of its indebtedness or assets (including cash or cash dividends).

(iii) If, at any time while this Note is outstanding, (i) the Maker effects any merger or consolidation of the Maker with or into another person, (ii) the Maker effects any sale of all or substantially all of its assets in one transaction or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Maker or another person) is completed pursuant to which holders of Shares are permitted to tender or exchange their units for other securities, cash or property, or (iv) the Maker effects any reclassification of the Shares or any compulsory unit exchange pursuant to which the Shares are effectively converted into or exchanged for other securities, cash or property (in any such case, a “Fundamental Transaction”), then, upon any subsequent conversion of this Note, the holder hereof shall have the right to receive, for each Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction, the same kind and amount of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of one Share (the “Alternate Consideration”). For purposes of any such conversion, the number of Shares issuable upon conversion hereof shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Share in such Fundamental Transaction. If holders of Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the holder hereof shall be

given the same choice as to the Alternate Consideration it receives upon any conversion of this Note following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Maker or surviving entity in such Fundamental Transaction shall issue to the holder hereof new secured convertible notes consistent with the foregoing provisions and evidencing such holder's right to convert such note into Alternate Consideration. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this Section 9(c)(iv) and insuring that this Note (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction.

(iv) If any event occurs of the type contemplated by the provisions of this Section 9(c) but not expressly provided for by such provisions (including, without limitation, the granting of unit appreciation rights, phantom unit rights or other rights with equity features), then the Maker's Board of Directors in good faith will make an appropriate adjustment in the number of Shares issuable upon conversion of this Note so as to be equitable under the circumstances and otherwise protect the rights of the holder of this Note; provided that no such adjustment will decrease the number of Shares issuable upon conversion of this Note as otherwise determined pursuant to this Section 9(c).

10. Successors and Assigns. The Maker may not assign this Note without the consent of the Lender or the holder of this Note. All the provisions hereof shall extend to and inure to the benefit of the Lender and any and all person(s) hereunder from time to time owning or holding this Note, and their respective heirs, legal representatives, successors, and assigns.

11. Waiver of Jury Trial. **THE MAKER HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS NOTE. THE MAKER ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR THE MAKER AND THE LENDER TO ENTER INTO THIS NOTE, THAT THE MAKER AND THE LENDER HAVE RELIED ON THE WAIVER IN ENTERING INTO AND MAKING THE ADVANCES EVIDENCED UNDER THIS NOTE, AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. THE MAKER FURTHER WARRANTS AND REPRESENTS THAT THE MAKER HAS REVIEWED THIS WAIVER WITH, OR HAS BEEN GIVEN THE OPPORTUNITY TO REVIEW THIS WAIVER WITH, ITS LEGAL COUNSEL, AND THAT THE MAKER KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.**

12. Governing Law; Venue. This Note shall be governed by, and shall be construed and enforced in accordance with, the internal laws of the State of Wisconsin, without regard to conflicts of laws principles. Any action arising from or relating in any way to this Note shall be tried only in the state or federal courts situated in the Eastern District of Wisconsin. The Maker consents to jurisdiction and venue in those courts to the greatest extent allowed by law. The party that substantially prevails in any action to enforce any provision of this Note shall recover all costs and attorneys' fees incurred in connection with the action.

13. Miscellaneous. If any provision of this Note is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Note shall remain in full force and effect and shall be liberally construed in favor of the Lender in order to effect the provisions of this Note. The Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Lender, and then only to the extent specifically set forth in the waiver. A waiver on one event shall not be construed as continuing or as a bar to or waiver of any right or remedy to a subsequent event. This Note may not be changed or terminated orally, but only by an agreement in writing signed by the party against whom enforcement of such change or termination is sought.

14. Further Assurance. From and after the date of this Note, each party agrees that it shall execute and deliver such document and take such action as may be reasonably requested by the other party to carry out the purposes and the transactions contemplated hereby.

15. Restatement. This Note is an amendment and restatement of that certain Secured Promissory Note dated December 22, 2014, executed by the Maker and payable to the order of the Lender in the original principal amount of \$27,500 (the "Prior Note") and evidences a continuation of the indebtedness evidenced by the Prior Note. The Maker hereby acknowledges and agrees that such indebtedness has not been repaid or extinguished and that the execution hereof does not constitute a novation of the Prior Note. Moreover, this Note shall be entitled to all security and collateral to which the Prior Note was entitled, without change or diminution in the priority of any lien or security interest granted to secure the Prior Note.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Maker, intending to be legally bound hereby, has executed these presents the day and year first written above.

INVENTALATOR, INC.

By: 

Name: Coby Skonord

Title: President, Secretary, and Treasurer

## SCHEDULE 1

Level	Revenues	Applicable Percentage	Payment Amount
1	\$1 to \$500,000	1.00%	Level 1
2	\$500,001 to \$1,000,000	1.50%	Sum of Levels 1 and 2
3	\$1,000,001 to \$1,500,000	2.00%	Sum of Levels 1 though 3
4	\$1,500,001 to \$2,000,000	2.50%	Sum of Levels 1 though 4
5	\$2,000,001 to \$2,500,000	3.00%	Sum of Levels 1 though 5
6	\$2,500,001 to \$3,000,000	3.50%	Sum of Levels 1 though 6
7	\$3,000,001 to \$3,500,000	4.00%	Sum of Levels 1 though 7
8	\$3,500,001 to \$4,000,000	4.50%	Sum of Levels 1 though 8
9	Greater than or equal to \$4,000,001	5.00%	Sum of Levels 1 though 9

As an example for illustrative purposes only, if the Maker's Revenues are \$1,250,000, the payment amount would be as follows: the sum of (a) \$500,000 multiplied by 1.00% (total \$5,000), plus (b) \$500,000 multiplied by 1.50% (total \$7,500), plus (c) \$250,000 multiplied by 2.00% (total \$5,000) = \$17,500.



**SECURED PROMISSORY NOTE**

\$77,500.00

Whitewater, Wisconsin  
April 8, 2016

FOR VALUE RECEIVED, INVENTALATOR, INC., a Wisconsin corporation (the "Maker"), hereby promises to pay to the order of COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN (together with its successors and assigns, the "Lender"), the principal sum of SEVENTY-SEVEN THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$77,500.00) (the "Loan"), together with all accrued and unpaid interest on the principal amount outstanding from the date hereof until paid in full, at such location as the Lender shall specify to the Maker.

1. Interest Rate and Payments. The term of this Secured Promissory Note (this "Note") shall be five (5) years, with all unpaid principal and interest due and payable on April 8, 2021 (the "Maturity Date"). All payments of principal and accrued interest shall be made in lawful currency of the United States of America as follows:

(a) The unpaid principal amount of this Note shall bear interest at a fixed rate per annum equal to four percent (4.00%). All interest due under this Note shall be computed for the actual number of days outstanding on the basis of a 365-day year. If at any time and for any reason whatsoever, the interest rate payable hereunder shall exceed the maximum rate of interest permitted to be charged by the Lender to the Maker under applicable law, such interest rate shall be reduced automatically to the maximum rate of interest permitted to be charged under applicable law, with any excess interest collected being applied against principal.

(b) On each annual anniversary date of the date of this Note (or if such anniversary date is not on a business day, the next succeeding business day), the Maker shall make a payment of principal and interest in an amount equal to the applicable percentage (the "Applicable Percentage") of the Maker's net revenues for the four fiscal quarters most recently ended ("Revenues"), as more fully described on Schedule 1 to this Note, with a final payment of all outstanding principal, accrued and unpaid interest, and all other amounts due and owing hereunder, if any, due on the Maturity Date. If Maker shall prepay the Note prior to the end of the fiscal year, than such payment shall be pro-rated on a per diem, 365-day year basis.

(c) Notwithstanding the foregoing, the Maker shall pay to the Lender all outstanding principal, accrued interest, and all other amounts owed hereunder upon the earliest to occur of the following: (i) the Maturity Date, or (ii) the acceleration of the amounts owing under this Note due to an Event of Default (as defined below). All payments hereunder will be applied first to accrued and unpaid interest and the balance, if any, to principal.

2. Prepayment. The Maker may make prepayments, in whole or in part, at any time prior to the Maturity Date without penalty. Prior to any such prepayment, the Maker shall provide the holder of this Note with at least ten (10) business days' prior written notice, and the holder shall have the opportunity to convert this Note in accordance with the terms hereof (if this Note is then convertible) in lieu of such prepayment.

3. Security. This Note is secured by the assets of the Maker as provided in that certain General Business Security Agreement dated as of December 22, 2014, by the Maker in favor of the Lender (the "Security Agreement"). The Maker acknowledges and agrees that the Security Agreement is fully enforceable against the Maker strictly in accordance with its terms. The Maker hereby ratifies and reaffirms the Security Agreement and acknowledges and agrees that the liens created by the Security Agreement are valid, effective, properly perfected, and enforceable first-priority liens. The Maker hereby reaffirms the grant of all liens to which it has previously granted to the Lender.

4. Conditions Precedent. The obligation of the Lender to make the Loan is subject to the satisfaction on or before the date of this Note of each of the following express conditions precedent:

(a) The Lender shall have received each of the following (each to be properly executed, dated, and completed), in form and substance satisfactory to the Lender:

(i) this Note duly executed by the Maker;

(ii) the Amended and Restated Secured Promissory Note of even date herewith in the principal amount of \$27,500.00 (the "A&R Note"), duly executed by the Maker payable to the order of the Lender; and

(iii) a certificate of an officer of the Maker, dated as of the date of this Note, as to (A) the incumbency and signature of the officers who have signed this Note and any other documents or materials to be delivered by the Maker to the Lender pursuant to this Note; (B) the adoption and continued effect of resolutions of the governing body of the Maker authorizing the execution, delivery, and performance of this Note, together with copies of those resolutions; and (C) the accuracy and completeness of copies of the organizational documents of the Maker, as amended to date, attached thereto.

(b) The Lender shall have received such other agreements, instruments, documents, certificates, and opinions as the Lender or its counsel may reasonably request.

5. Covenants. From and after the date of this Note and until the entire amount of principal of and interest due on the Loan, and all other amounts of fees and payments due under this Note and the Security Agreement, are paid in full, the Maker shall:

(a) provide to the Lender, as soon as available, and in any event within one hundred twenty (120) days after the close of each fiscal year, a copy of the detailed annual financial statements of the Maker prepared in reasonable detail and in accordance with generally accepted accounting principles;

(b) provide to the Lender, as soon as available, and in any event within thirty (30) days after the end of each fiscal quarter, (i) a company-prepared balance sheet of the Maker as of the end of each such fiscal quarter and of the prior four fiscal quarters; and (ii) statements of income of the Maker for each such fiscal quarter and for the prior four fiscal quarters, all in reasonable detail and certified as true and correct, subject to audit and normal year-end adjustments, by the manager of the Maker;

(c) promptly upon formation or acquisition of any subsidiary after the date hereof, cause such newly formed or acquired subsidiary to become a guarantor of the Maker's obligations under this Note by executing a guaranty and to secure such guaranty by granting the Lender a security interest in all assets of such subsidiary by executing a security agreement, as the Lender may require, and the Maker shall also deliver to the Lender, or cause such subsidiary to deliver to the Lender, such other instruments, documents, and certificates required by the Lender; and

(d) promptly upon formation or acquisition of any subsidiary after the date hereof, cause such newly formed or acquired subsidiary to become a guarantor of the Maker's obligations under this Note by executing a guaranty and to secure such guaranty by granting the Lender a security interest in all assets of such subsidiary by executing a security agreement, as the Lender may require, and the Maker shall also deliver to the Lender, or cause such subsidiary to deliver to the Lender, such other instruments, documents, and certificates required by the Lender; and

(e) offer a minimum discount of 35% off all services provided to tenants of the Whitewater University Technology Park and the Whitewater Business Park, each located in Whitewater, Wisconsin.

6. Events of Default. As used in this Note, "Event of Default" shall mean any one of the following:

(a) The Maker shall fail to pay any sum when due or perform any covenant, agreement, or obligation hereunder or under the A&R Note or the Security Agreement, or an event of default shall occur under the A&R Note or the Security Agreement;

(b) a default or an event of default shall occur under any other agreement evidencing indebtedness of the Maker and such default (i) consists of the failure to pay such indebtedness when due, whether by acceleration or otherwise, or (ii) accelerates the maturity of such indebtedness or permits the holder or holders thereof, or any trustee or agent for such holder or holders, to cause such indebtedness to become due and payable (or require the Maker to purchase, defease, or redeem such indebtedness or post cash collateral in respect thereof) prior to the expressed maturity of such indebtedness;

(c) The Maker makes an assignment for the benefit of creditors, fails to pay, or admits in writing its inability to pay its debts as they mature, or if a trustee of any substantial part of the assets of the Maker is applied for or appointed; and

(d) Any proceeding involving the Maker is commenced by or against the Maker under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, or liquidation law or statute of the federal government or any state government.

7. Remedies.

(a) Upon the occurrence of an Event of Default under Section 6(a) or Section 6(b), the Lender may, upon notice and demand to the Maker, declare the entire amount of unpaid principal and accrued and unpaid interest under this Note immediately due and payable. Upon

the occurrence of an Event of Default under Section 6(c) or Section 6(d), the entire amount of unpaid principal and accrued and unpaid interest under this Note automatically shall become immediately due and payable.

(b) Upon the occurrence of an Event of Default, the Maker hereby agrees to pay all reasonable fees and expenses incurred by the Lender, including reasonable attorneys' fees of counsel, in connection with the protection and enforcement of the rights of the Lender under this Note, including without limitation the collection of any amounts due under this Note and the protection and enforcement of such rights in any bankruptcy, reorganization, or insolvency proceeding involving the Maker.

(c) While any Event of Default exists, at the option of the Lender, the principal amount outstanding under this Note shall bear interest at a rate equal to fifteen percent (15%) per annum.

(d) No remedy herein conferred upon the Lender is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Note or now or hereafter existing by law. No failure or delay on the part of the Lender in exercising any right or remedy hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right hereunder preclude other or further exercise.

8. Waiver. The Maker and all endorsers hereof hereby waive presentment, demand for payment, notice of dishonor, notice of nonpayment, protest and notice of protest, and all other notices and demands in connection with the delivery, acceptance, performance, default or enforcement of this Note, and agree that the liability of the Maker shall be unconditional without regard to the liability of any other party and shall not be affected by any indulgence, extension of time, waiver, release of any party or of any of the Collateral (as defined in the Security Agreement), or other modification granted or consented to by the Maker or holder hereof.

9. Future Convertibility. For the avoidance of doubt, prior to the occurrence of both (x) the Series A Round and (y) either (i) or (ii) in the following sentence, this Note shall not be convertible. Upon the occurrence of both (x) the Series A Round and (y) either (i) any assignment by Lender of this Note, any such assignment which shall be exempt from the registration requirements of the Securities Act of 1933, as amended, and shall not cause the offering pursuant to which Lender originally acquired the Note to be ineligible for an exemption from such registration requirements as a condition thereto, or (ii) the date on which the original Lender becomes legally permitted to hold equity securities, this Note shall have the conversion rights as follows.

(a) All of the outstanding principal balance and accrued but unpaid interest under this Note shall be convertible, at the option of the holder thereof, without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable Series B Nonvoting Common Stock shares or other class of stock issued in conjunction with the Maker's first offering of its equity securities in which the gross proceeds from such offering equal or exceed \$1,000,000 (the "Series A Round") as is determined by the stipulated valuation, actual

valuation, or stipulated valuation cap agreed to by Maker and the investors in such Series A Round. (such Series B shares or such other class of shares, the “Shares”)

(b) Any such holder shall effect conversions by providing the Maker with a notice of conversion specifying the amount of this Note to be converted and the date on which such conversion is to be effected (such date, the “Conversion Date”). If no Conversion Date is specified in a notice of conversion, the Conversion Date shall be the date that such notice of conversion to the Maker is deemed delivered hereunder. The Maker’s obligation to issue and deliver the Shares acquired by such holder upon delivery to Maker of a notice of conversion in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by a holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by such holder or any other person of any obligation to the Maker.

(c)

(i) If the Maker, at any time while this Note is outstanding: (A) pays a unit dividend or otherwise makes a distribution or distributions payable in Shares or any other Share Equivalents (defined below); or (B) subdivides outstanding Shares into a larger number of Shares or consolidates outstanding Shares into a smaller number of Shares; then the number of Shares issuable hereunder shall be multiplied by a fraction of which the numerator shall be the number of Shares outstanding immediately after such event and of which the denominator shall be the number of Shares (excluding any treasury units of the Maker) outstanding immediately before such event. For purposes of this Note, “Share Equivalents” means any securities of the Maker or its subsidiaries which would entitle the holder thereof to acquire at any time Shares, including, without limitation, any debt, units other than the Shares, rights, options, warrants or other instrument that is at any time convertible into or exchangeable for, or otherwise entitles the holder thereof to receive, Shares.

(ii) The Maker shall not, at any time while this Note is outstanding, distribute to all holders of Shares (and not to the holder of this Note) evidences of its indebtedness or assets (including cash or cash dividends).

(iii) If, at any time while this Note is outstanding, (i) the Maker effects any merger or consolidation of the Maker with or into another person, (ii) the Maker effects any sale of all or substantially all of its assets in one transaction or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Maker or another person) is completed pursuant to which holders of Shares are permitted to tender or exchange their units for other securities, cash or property, or (iv) the Maker effects any reclassification of the Shares or any compulsory unit exchange pursuant to which the Shares are effectively converted into or exchanged for other securities, cash or property (in any such case, a “Fundamental Transaction”), then, upon any subsequent conversion of this Note, the holder hereof shall have the right to receive, for each Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction, the same kind and amount of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of one

Share (the “Alternate Consideration”). For purposes of any such conversion, the number of Shares issuable upon conversion hereof shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Share in such Fundamental Transaction. If holders of Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the holder hereof shall be given the same choice as to the Alternate Consideration it receives upon any conversion of this Note following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Maker or surviving entity in such Fundamental Transaction shall issue to the holder hereof new secured convertible notes consistent with the foregoing provisions and evidencing such holder’s right to convert such note into Alternate Consideration. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this Section 9(c)(iv) and insuring that this Note (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction.

(iv) If any event occurs of the type contemplated by the provisions of this Section 9(c) but not expressly provided for by such provisions (including, without limitation, the granting of unit appreciation rights, phantom unit rights or other rights with equity features), then the Maker’s Board of Directors in good faith will make an appropriate adjustment in the number of Shares issuable upon conversion of this Note so as to be equitable under the circumstances and otherwise protect the rights of the holder of this Note; provided that no such adjustment will decrease the number of Shares issuable upon conversion of this Note as otherwise determined pursuant to this Section 9(c).

10. Successors and Assigns. The Maker may not assign this Note without the consent of the Lender or the holder of this Note. All the provisions hereof shall extend to and inure to the benefit of the Lender and any and all person(s) hereunder from time to time owning or holding this Note, and their respective heirs, legal representatives, successors, and assigns.

11. Waiver of Jury Trial. **THE MAKER HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS NOTE. THE MAKER ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR THE MAKER AND THE LENDER TO ENTER INTO THIS NOTE, THAT THE MAKER AND THE LENDER HAVE RELIED ON THE WAIVER IN ENTERING INTO AND MAKING THE ADVANCES EVIDENCED UNDER THIS NOTE, AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. THE MAKER FURTHER WARRANTS AND REPRESENTS THAT THE MAKER HAS REVIEWED THIS WAIVER WITH, OR HAS BEEN GIVEN THE OPPORTUNITY TO REVIEW THIS WAIVER WITH, ITS LEGAL COUNSEL, AND THAT THE MAKER KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.**

12. Governing Law; Venue. This Note shall be governed by, and shall be construed and enforced in accordance with, the internal laws of the State of Wisconsin, without regard to conflicts of laws principles. Any action arising from or relating in any way to this Note shall be tried only in the state or federal courts situated in the Eastern District of Wisconsin. The Maker

consents to jurisdiction and venue in those courts to the greatest extent allowed by law. The party that substantially prevails in any action to enforce any provision of this Note shall recover all costs and attorneys' fees incurred in connection with the action.


13. Miscellaneous. If any provision of this Note is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Note shall remain in full force and effect and shall be liberally construed in favor of the Lender in order to effect the provisions of this Note. The Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Lender, and then only to the extent specifically set forth in the waiver. A waiver on one event shall not be construed as continuing or as a bar to or waiver of any right or remedy to a subsequent event. This Note may not be changed or terminated orally, but only by an agreement in writing signed by the party against whom enforcement of such change or termination is sought.

14. Further Assurance. From and after the date of this Note, each party agrees that it shall execute and deliver such document and take such action as may be reasonably requested by the other party to carry out the purposes and the transactions contemplated hereby.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Maker, intending to be legally bound hereby, has executed these presents the day and year first written above.

INVENTALATOR, INC.

By:   
Name: Coby Skonord  
Title: President, Secretary, and Treasurer



## SCHEDULE 1

Level	Revenues	Applicable Percentage	Payment Amount
1	\$1 to \$500,000	1.00%	Level 1
2	\$500,001 to \$1,000,000	1.50%	Sum of Levels 1 and 2
3	\$1,000,001 to \$1,500,000	2.00%	Sum of Levels 1 though 3
4	\$1,500,001 to \$2,000,000	2.50%	Sum of Levels 1 though 4
5	\$2,000,001 to \$2,500,000	3.00%	Sum of Levels 1 though 5
6	\$2,500,001 to \$3,000,000	3.50%	Sum of Levels 1 though 6
7	\$3,000,001 to \$3,500,000	4.00%	Sum of Levels 1 though 7
8	\$3,500,001 to \$4,000,000	4.50%	Sum of Levels 1 though 8
9	Greater than or equal to \$4,000,001	5.00%	Sum of Levels 1 though 9

As an example for illustrative purposes only, if the Maker's Revenues are \$1,250,000, the payment amount would be as follows: the sum of (a) \$500,000 multiplied by 1.00% (total \$5,000), plus (b) \$500,000 multiplied by 1.50% (total \$7,500), plus (c) \$250,000 multiplied by 2.00% (total \$5,000) = \$17,500.

GENERAL BUSINESS SECURITY AGREEMENT

Dated December 22, 2014

1. SECURITY INTEREST

In consideration of any financial accommodation at any time granted by COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN ("Lender") to INVENTALATOR, INC. ("Borrower"), each of the undersigned ("Debtor," whether one or more) grants Lender a security interest in all equipment, fixtures, inventory, documents, general intangibles, accounts, deposit accounts (unless a security interest would render a nontaxable account taxable), contract rights, chattel paper, patents, trademarks and copyrights (and the good will associated with and registrations and licenses of any of them), instruments, letter of credit rights and investment property, now owned or hereafter acquired by Debtor (or by Debtor with spouse), and all additions and accessions to, all spare and repair parts, special tools, equipment and replacements for, software used in, all returned or repossessed goods the sale of which gave rise to and all proceeds, supporting obligations and products of the foregoing ("Collateral"), wherever located, to secure all debts, obligations and liabilities to Lender arising out of credit previously granted, credit contemporaneously granted and credit granted in the future by Lender to any Debtor, or any Borrower, to any of them and another, or to another guaranteed or endorsed by any of them ("Obligations").

2. DEBTOR'S WARRANTIES

Debtor warrants and agrees that while any of the Obligations are unpaid:

(a) **Ownership and use.** Debtor owns (or with spouse owns) the Collateral free of all encumbrances and security interests (except Lender's security interest). Chattel paper constituting Collateral evidences a perfected security interest in the goods (including software used in the goods) covered by it, free from all other encumbrances and security interests, and no financing statement is on file or control agreement in existence (other than Lender's) covering the Collateral or any of it. Debtor, acting alone, may grant a security interest in the Collateral and agree to the terms of this Agreement. The Collateral is used or bought for use primarily for business purposes.

(b) **Sale of goods or services rendered.** Each account and chattel paper constituting Collateral as of this date arose from the performance of services by Debtor or from a bona fide sale or lease of goods, which have been delivered or shipped to the account debtor and for which Debtor has genuine invoices, shipping documents or receipts.

(c) **Enforceability.** Each account, contract right and chattel paper constituting Collateral as of this date is genuine and enforceable against the account debtor according to its terms. It and the transaction out of which it arose comply with all applicable laws and regulations. The amount represented by Debtor to Lender as owing by each account debtor is the amount actually owing and is not subject to setoff, credit, allowance or adjustment, except discount for prompt payment, nor has any account debtor returned the goods or disputed liability.

(d) **Due date.** There has been no default as of this date according to the terms of any chattel paper or account constituting Collateral and no step has been taken to foreclose the security interest it evidences or otherwise enforce its payment.

(e) **Financial condition of account debtor.** As of this date Debtor has no notice or knowledge of anything which might impair the credit standing of any account debtor and Debtor will advise Lender upon receipt of any such notice or knowledge affecting Collateral.

(f) **Valid organization.** If a corporation, limited liability company or general or limited partnership, Debtor is duly organized, validly existing and in good standing under the laws of the state of organization and is authorized to do business in Wisconsin.

(g) **Other agreements.** Debtor is not in default under any agreement for the payment of money.

(h) **Authority to contract.** The execution and delivery of this Agreement and any instruments evidencing Obligations will not violate or constitute a breach of Debtor's articles of incorporation or organization, by-laws, partnership agreement, operating agreement or any other agreement or restriction to which Debtor is a party or is subject.

(i) **Accuracy of information.** All information, certificates or statements given to Lender pursuant to this Agreement shall be true and complete when given.

(j) **Name and address.** Debtor's exact legal name is as set forth below Section 12. If Debtor is an individual, Debtor separately provided to Lender the name of Debtor as it is indicated on Debtor's current unexpired driver's license or, if applicable for UCC financing statements, identification card issued by Debtor's state of principal residence, and the address of Debtor's principal residence is as set forth below Section 12. If Debtor is an organization that has only one place of business, the address of Debtor's place of business, or if Debtor has more than one place of business, then the address of Debtor's chief executive office, is as set forth below Section 12.

(k) **Location.** The address where the Collateral will be kept, if different from that appearing below Section 12, is

Such location shall not be changed without prior written consent of Lender, but the parties intend that the Collateral, wherever located, is covered by this Agreement.

(l) **Organization.** If Debtor is an organization, the type of organization and the state under whose law it is organized are as set forth below Section 12.

(m) **Environmental laws.** (i) No substance has been, is or will be present, used, stored, deposited, treated, recycled or disposed of on, under, in or about any real estate now or at any time owned or occupied by Debtor ("Property") during the period of Debtor's ownership or use of the Property in a form, quantity or manner which if known to be present on, under, in or about the Property would require clean-up, removal or some other remedial action ("Hazardous Substance") under any federal, state or local laws, regulations, ordinances, codes or rules ("Environmental Laws"), (ii) Debtor has no knowledge, after due inquiry, of any prior use or existence of any Hazardous Substance on the Property by any prior owner or person using the Property, (iii) without limiting the generality of the foregoing, Debtor has no knowledge, after due inquiry, that the Property contains asbestos, polychlorinated biphenyl components (PCBs) or underground storage tanks, (iv) there are no conditions existing currently or likely to exist during the term of this Agreement which would subject Debtor to any damages, penalties, injunctive relief or clean-up costs in any governmental or regulatory action or third-party claim relating to any Hazardous Substance, (v) Debtor is not subject to any court or administrative proceeding, judgment, decree, order or citation relating to any Hazardous Substance, and (vi) Debtor in the past has been, at the present is, and in the future will remain in compliance with all Environmental Laws. Debtor shall indemnify and hold harmless Lender, its directors, officers, employees and agents from all loss, cost (including reasonable attorneys' fees and legal expenses), liability and damage whatsoever directly or indirectly resulting from, arising out of, or based upon (1) the presence, use, storage, deposit, treatment, recycling or disposal, at any time, of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from the Property, (2) the violation or alleged violation of any Environmental Law, permit, judgment or license relating to the presence, use, storage, deposit, treatment, recycling or disposal of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from Property, or (3) the imposition of any governmental lien for the recovery of environmental clean-up costs expended under any Environmental Law. Debtor shall immediately notify Lender in writing of any governmental or regulatory action or third-party claim instituted or threatened in connection with any Hazardous Substance described above on, in, under or about the Property.

(n) **Employees.** There are no unpaid wages due employees of Debtor and there are no outstanding liens against assets of Debtor for unpaid wages due employees of Debtor.

(o) **Fixtures.** If any of the Collateral is affixed to real estate, the legal description of the real estate set forth in each UCC Financing Statement signed or authorized by Debtor is true and correct.

3. SHIPPERS

Shippers authorized to draw drafts on Lender under section 6(c) are:

4. SALE AND COLLECTIONS

(a) **Sale of Inventory.** So long as no default exists under any of the Obligations or this Agreement, Debtor may (a) sell inventory in the ordinary course of Debtor's business for cash or on terms customary in the trade, at prices not less than any minimum sale price shown on instruments evidencing Obligations and describing inventory, or (b) lease or license inventory on terms customary in the trade.

(b) **Verification and notification.** Lender may verify Collateral in any manner, and Debtor shall assist Lender in so doing. Upon default Lender may at any time and Debtor shall, upon request of Lender, notify the account debtors or other persons obligated on the Collateral to make payment directly to Lender and Lender may enforce collection of, settle, compromise, extend or renew the indebtedness of such account debtors or other persons obligated on the Collateral. Until account debtors or other persons obligated on the Collateral are so notified, Debtor, as agent of Lender, shall make collections and receive payments on the Collateral.

(c) **Deposit with Lender.** At any time Lender may require that all proceeds of Collateral received by Debtor shall be held by Debtor upon an express trust for Lender, shall not be commingled with any other funds or property of Debtor and shall be turned over to Lender in precisely the form received (but endorsed by Debtor if necessary for collection) not later than the business day following the day of their receipt. Except as provided in Section 4(d) below, all proceeds of Collateral received by Lender directly or from Debtor shall be applied against the Obligations in such order and at such times as Lender shall determine.

(d) **Accounting.** If the extent to which Lender's security interest in the Collateral is a purchase money security interest depends on the application of a payment to a particular obligation of Debtor, the payment shall first be applied to obligations of Debtor for which Debtor did not create a security interest in the order in which those obligations were incurred and then to obligations of Debtor for which Debtor did create a security interest, including the Obligations secured by the Collateral, in the order in which those obligations were incurred; provided, however, that Lender shall retain its security interest in all Collateral regardless of the allocation of payments.

ADDITIONAL PROVISIONS



## 5. DEBTOR'S COVENANTS

(a) **Maintenance of Collateral.** Debtor shall: maintain the Collateral in good condition and repair and not permit its value to be impaired; keep it free from all liens, encumbrances and security interests (other than Lender's security interest); defend it against all claims and legal proceedings by any person other than Lender; pay and discharge when due all taxes, license fees, levies and other charges upon it; not sell, lease, license or otherwise dispose of it or permit it to become a fixture or an accession to other goods, except for sales, leases or licenses of inventory as provided in this Agreement; not permit it to be used in violation of any applicable law, regulation or policy of insurance; and, as to Collateral consisting of instruments, chattel paper and letter of credit rights, preserve rights in it against prior parties. Loss of or damage to the Collateral shall not affect the liabilities of any Debtor or Borrower under this Agreement, the Obligations or other rights of Lender with respect to the Collateral. Item 4.

(b) **Insurance.** Debtor shall keep the Collateral and Lender's interest in it insured under policies with such provisions, for such amounts and by such insurers as shall be satisfactory to Lender from time to time, and shall furnish evidence of such insurance satisfactory to Lender. Subject to Lender's satisfaction, Debtor is free to select the insurance agent or insurer through which the insurance is obtained. Debtor assigns (and directs any insurer to pay) to Lender the proceeds of all such insurance and any premium refund, and authorizes Lender to endorse in the name of Debtor any instruments for such proceeds or refunds and, at the option of Lender, to apply such proceeds and refunds to any unpaid balance of the Obligations, whether or not due, and/or to restoration of the Collateral, returning any excess to Debtor. Each insurance policy shall contain a standard lender's loss payable endorsement in favor of Lender, and shall provide that the policy shall not be cancelled, and the coverage shall not be reduced, without at least 10 days' prior written notice by the insurer to Lender. Lender is authorized, in the name of Debtor or otherwise, to make, adjust and/or settle claims under any credit insurance financed by Lender or any insurance on the Collateral, or cancel the same after the occurrence of an event of default. If Debtor fails to keep any required insurance on the Collateral, Lender may purchase such insurance for Debtor, such insurance may be acquired by Lender solely to protect the interest of Lender (and will not cover Debtor's equity in the Collateral), and Debtor's obligation to repay Lender shall be in accordance with Section 6(a).

(c) **Maintenance of security interest.** Debtor shall pay all expenses and upon request, take any action reasonably deemed advisable by Lender to preserve the Collateral or to establish, evidence, determine and maintain priority of, perfect, continue perfected, terminate and/or enforce Lender's interest in it or rights under this Agreement. Debtor authorizes Lender to file Uniform Commercial Code financing statements describing the Collateral (including describing the Collateral as "all assets" or with words of similar effect) and amendments and correction statements to such financing statements and ratifies any such financing statement or amendment filed prior to the date of this Agreement. Debtor will obtain for and provide to Lender control of Collateral or other security for the Obligations for which control may be required or requested to perfect Lender's security interest under applicable law, including, without limitation, the execution of control agreements by and between Debtor, Lender and any necessary third party. If the Collateral is in possession of a third party, Debtor will also join with Lender at its request in notifying the third party of Lender's security interest and obtaining an acknowledgment from the third party that it is holding the Collateral for the benefit of Lender.

(d) **Taxes and other charges.** Debtor shall pay and discharge all lawful taxes, assessments and government charges upon Debtor or against its properties prior to the date on which penalties attach, unless and to the extent only that such taxes, assessments and charges are contested in good faith and by appropriate proceedings by Debtor.

(e) **Employees.** Debtor shall pay all wages when due to employees of Debtor and shall not permit any lien to exist against the assets of Debtor for unpaid wages due employees of Debtor.

(f) **Records and statements.** Debtor shall furnish to Lender financial statements at least annually and such other financial information respecting Debtor at such times and in such form as Lender may request. Debtor shall keep accurate and complete records respecting the Collateral in such form as Lender may approve. At such times as Lender may require, Debtor shall furnish to Lender a statement certified by Debtor and in such form and containing such information as may be prescribed by Lender, showing the current status and value of the Collateral. Debtor shall furnish to Lender such reports regarding the payment of wages to employees of Debtor and the number of employees of Debtor as Lender may from time to time request, and without request shall furnish to Lender a written report immediately upon any material increase in the number of employees of Debtor, the failure of Debtor to pay any wages when due to employees of Debtor or the imposition of any lien against the assets of Debtor for unpaid wages due employees of Debtor.

(g) **Inspection of Collateral.** At reasonable times Lender may examine the Collateral and Debtor's records pertaining to it, wherever located, and make copies of records, and Debtor shall assist Lender in so doing.

(h) **Service charge.** In addition to the required payments under the Obligations and this Agreement, Debtor shall pay Lender's then current service charges for servicing and auditing in connection with this Agreement.

(i) **Chattel paper.** Lender may require that chattel paper constituting Collateral shall be on forms approved by Lender. Unless it consists of electronic chattel paper, Debtor shall promptly mark all chattel paper constituting Collateral, and all copies, to indicate conspicuously Lender's interest and, upon request, deliver them to Lender. If it consists of electronic chattel paper, Debtor shall promptly notify Lender of the existence of the electronic chattel paper and, at the request of Lender, shall take such actions as Lender may reasonably request to vest in Lender control of such electronic chattel paper under applicable law.

(j) **United States contracts.** If any Collateral arose out of contracts with the United States or any of its departments, agencies or instrumentalities, Debtor will notify Lender and execute writings required by Lender in order that all money due or to become due under such contracts shall be assigned to Lender and proper notice of the assignment given under the Federal Assignment of Claims Act.

(k) **Modifications.** Without the prior written consent of Lender, Debtor shall not alter, modify, extend, renew or cancel any accounts, letter of credit rights or chattel paper constituting Collateral or any Collateral constituting part of the Debtor's borrowing base.

(l) **Returns and repossessions.** Debtor shall promptly notify Lender of the return to or repossession by Debtor of goods underlying any Collateral and Debtor shall hold and dispose of them only as Lender directs.

(m) **Promissory Notes, Chattel Paper and Investment Property.** If Debtor shall at any time hold or acquire Collateral consisting of promissory notes, chattel paper or certificated securities, Debtor shall endorse, assign and deliver the same to Lender accompanied by such instruments of transfer or assignment duly executed in blank as Lender may from time to time request.

(n) **Change of name, address or organization.** Debtor shall not change (i) Debtor's legal name, (ii) if Debtor is an individual Debtor's name as it is indicated on Debtor's current unexpired driver's license or, if applicable for UCC financing statements, identification card issued by Debtor's state of principal residence, or (iii) Debtor's address, in each case without providing at least 30 days' prior written notice of the change to Lender. If Debtor is an individual, Debtor shall provide to Lender at least 30 days' written notice of any expiration of Debtor's driver's license or, if applicable for UCC financing statements, identification card issued by Debtor's state of principal residence. If Debtor is an organization it shall not change its type of organization or state under whose law it is organized and shall preserve its organizational existence, and Debtor whether or not Debtor is an organization shall not, in one transaction or in a series of related transactions, merge into or consolidate with any other organization, change Debtor's legal structure or sell or transfer all or substantially all of Debtor's assets.

## 6. RIGHTS OF LENDER

(a) **Authority to perform for Debtor.** Upon the occurrence of an event of default or if Debtor fails to perform any of Debtor's duties set forth in this Agreement or in any evidence of or document relating to the Obligations, Lender is authorized, in Debtor's name or otherwise, to take any such action including without limitation signing Debtor's name or paying any amount so required, and the cost shall be one of the Obligations secured by this Agreement and shall be payable by Debtor upon demand with interest from the date of payment by Lender at the highest rate stated in any evidence of any Obligation but not in excess of the maximum rate permitted by law.

(b) **Charging Debtor's credit balance.** Unless a lien would be prohibited by law or would render a nontaxable account taxable, Debtor grants Lender, as further security for the Obligations, a security interest and lien in any deposit account Debtor may at any time have with Lender and other money now or hereafter owed Debtor by Lender, and agrees that Lender may, at any time after the occurrence of an event of default, without prior notice or demand, set-off all or any part of the unpaid balance of the Obligations against any deposit balances or other money now or hereafter owed Debtor by Lender.

(c) **Power of attorney.** Debtor irrevocably appoints any officer of Lender as Debtor's attorney, with power after an event of default to receive, open and dispose of all mail addressed to Debtor (and Lender shall not be required as a condition to the exercise of this power to prove the occurrence of an event of default to the Post Office); to notify the Post Office authorities to change the address for delivery of all mail addressed to Debtor to such address as Lender may designate; to endorse the name of Debtor upon any instruments which may come into Lender's possession; and to sign and make draws under any letter of credit constituting Collateral on Debtor's behalf. Debtor agrees that Obligations may be created by drafts drawn on Lender by shippers of inventory named in Section 3. Debtor authorizes Lender to honor any such draft accompanied by invoices aggregating the amount of the draft and describing inventory to be shipped to Debtor and to pay any such invoices not accompanied by drafts. Debtor appoints any employee of Lender as Debtor's attorney, with full power to sign Debtor's name on any instrument evidencing an Obligation, or any renewals or extensions, for the amount of such drafts honored by Lender and such instruments may be payable at fixed times or on demand, shall bear interest at the rate from time to time fixed by Lender and Debtor agrees, upon request of Lender, to execute any such instruments. This power of attorney to execute instruments may be revoked by Debtor only by written notice to Lender and no such revocation shall affect any instruments executed prior to the receipt by Lender of such notice. All acts of such attorney are ratified and approved and such attorney is not liable for any act or omission or for any error of judgment or mistake of fact or law. This power is a power coupled with an interest and is given as security for the Obligations, and the authority conferred by this power is and shall be irrevocable and shall remain in full force and effect until renounced by Lender except as otherwise expressly provided in this Section 6(c).

(d) **Non-liability of Lender.** Lender has no duty to determine the validity of any invoice, the authority of any shipper named in section 3 to ship goods to Debtor or compliance with any order of Debtor. Lender has no duty to protect, insure, collect or realize upon the Collateral or preserve rights in it against prior parties. Debtor releases Lender from any liability for any act or omission relating to the Obligations, the Collateral or this Agreement, except Lender's willful misconduct.

7. DEFAULT

Item 4.

Upon the occurrence of one or more of the following events of default:

- (a) **Nonperformance.** Any of the Obligations are not paid when due, or Borrower or Debtor, as applicable, fails to perform, or rectify breach or, any warranty or covenant or other undertaking in this Agreement or in any evidence of or document relating to the Obligations or an event of default occurs under any evidence of or document relating to any other obligation secured by the Collateral;
- (b) **Inability to Perform.** Borrower, Borrower's spouse, Debtor or a guarantor or surety of any of the Obligations dies, ceases to exist, becomes insolvent or the subject of bankruptcy or insolvency proceedings or any guaranty of the Obligations is revoked or becomes unenforceable for any reason;
- (c) **Misrepresentation.** Any warranty or representation made to induce Lender to extend credit to Debtor or Borrower, under this Agreement or otherwise, is false in any material respect when made; or
- (d) **Insecurity.** At any time Lender believes in good faith that the prospect of payment or performance of any of the Obligations or performance under any agreement securing the Obligations is impaired;

all of the Obligations shall, at the option of Lender and without notice or demand, become immediately payable; and Lender shall have all rights and remedies for default provided by the Wisconsin Uniform Commercial Code and this Agreement, as well as any other applicable law, and under any evidence of or document relating to any Obligation, and all such rights and remedies are cumulative and may be exercised from time to time together, separately, and in any order. With respect to such rights and remedies:

- (e) **Repossession.** Lender may take possession of Collateral without notice or hearing, which Debtor waives;
- (f) **Assembling collateral.** Lender may require Debtor to assemble the Collateral and to make it available to Lender at any place reasonably designated by Lender;
- (g) **Notice of disposition.** Written notice, when required by law, sent to any address of Debtor in this Agreement at least 10 calendar days (counting the day of sending) before the date of a proposed disposition of the Collateral is reasonable notice;

(h) **Expenses and application of proceeds.** Debtor shall reimburse Lender for any expense incurred by Lender in protecting or enforcing its rights under this Agreement, before and after judgment, including, without limitation, reasonable attorneys' fees and legal expenses (including those incurred in successful defense or settlement of any counterclaim brought by Debtor or incident to any action or proceeding involving Debtor brought pursuant to the United States Bankruptcy Code) and all expenses of taking possession, holding, preparing for disposition and disposing of Collateral (provided, however, Lender has no obligation to clean-up or otherwise prepare the Collateral for sale). After deduction of such expenses, Lender shall apply the proceeds of disposition to the extent actually received in cash to the Obligations in such order and amounts as it elects or as otherwise required by this Agreement. If Lender sells any Collateral on credit, Debtor will be credited only with payments that the purchaser actually makes and that Lender actually receives and applies to the unpaid balance of the purchase price of the Collateral; and

(i) **Waiver.** Lender may permit Debtor or Borrower to remedy any default without waiving the default so remedied, and Lender may waive any default without waiving any other subsequent or prior default by Borrower or Debtor. Lender shall continue to have all of its rights and remedies under this Agreement even if it does not fully and properly exercise them on all occasions.

8. WAIVER AND CONSENT

Each Debtor who is not also a Borrower expressly consents to and waives notice of the following by Lender without affecting the liability of any such Debtor: (a) the creation of any present or future Obligation, default under any Obligation, proceedings to collect from any Borrower or anyone else, (b) any surrender, release, impairment, sale or other disposition of any security or collateral for the Obligations, (c) any release or agreement not to sue any guarantor or surety of the Obligations, (d) any failure to perfect a security interest in or realize upon any security or collateral for the Obligations, (e) any failure to realize upon any of the Obligations or to proceed against any Borrower or any guarantor or surety, (f) any renewal or extension of the time of payment, (g) any allocation and application of payments and credits and acceptance of partial payments, (h) any application of the proceeds of disposition of any collateral for the Obligations to any obligation of any Debtor or Borrower secured by such collateral in such order and amounts as it elects, (i) any determination of what, if anything, may at any time be done with reference to any security or collateral, and (j) any settlement or compromise of the amount due or owing or claimed to be due or owing from any Borrower, guarantor or surety.

9. INTERPRETATION

The validity, construction and enforcement of this Agreement are governed by the internal laws of Wisconsin except to the extent such laws are preempted by federal law. All terms not otherwise defined have the meanings assigned to them by the Wisconsin Uniform Commercial Code, as amended from time to time, provided, however, that the term "instrument" shall be such term as defined in the Wisconsin Uniform Commercial Code-Secured Transactions Chapter 409. All references in this Agreement to sections of the Wisconsin Statutes are to those sections as they may be renumbered from time to time. Invalidity of any provision of this Agreement shall not affect the validity of any other provision.

10. PERSONS BOUND

Each person signing this Agreement is a Debtor. All Debtors are jointly and severally liable under this Agreement. This Agreement benefits Lender, its successors and assigns, and binds Debtor(s) and their respective heirs, personal representatives, successors and assigns and shall bind all persons and entities who become bound as a debtor to this Agreement.  If checked here, this Agreement amends and replaces in their entirety the provisions of all existing General Business Security Agreements between Debtor and Lender; provided, however, that all security interests granted to Lender under those existing security agreements shall remain in full force and effect, subject to the provisions of this Agreement. Debtor acknowledges receipt of a completed copy of this Agreement.

11. ENTIRE AGREEMENT

THIS AGREEMENT IS INTENDED BY LENDER AND DEBTOR AS A FINAL EXPRESSION OF THIS AGREEMENT AND AS A COMPLETE AND EXCLUSIVE STATEMENT OF ITS TERMS, THERE BEING NO CONDITIONS TO THE ENFORCEABILITY OF THIS AGREEMENT, AND THIS AGREEMENT MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES TO THIS AGREEMENT. THERE ARE NO ORAL AGREEMENTS AMONG THE PARTIES TO THIS AGREEMENT. THIS AGREEMENT MAY NOT BE SUPPLEMENTED OR MODIFIED EXCEPT IN WRITING SIGNED BY LENDER AND DEBTOR.

12. OTHER PROVISIONS

(If none stated below, there are no other provisions.)

INVENTALATOR, INC. (SEAL)  
DEBTOR


(SEAL)  
DEBTOR

Address: 260 EAST HIGHLAND AVENUE, SUITE 500  
SEE SECTION 2(j) and (k)

MILWAUKEE, WISCONSIN 53202

(CORPORATION)  
TYPE OF ORGANIZATION

(WISCONSIN)  
STATE OF ORGANIZATION

By:   
\_\_\_\_\_  
(President, Secretary, and Treasurer)

TITLE

\* Coby Skonord

By: \_\_\_\_\_

(\_\_\_\_\_) TITLE

\*

\*Type or print name signed above.



August 10, 2021

Inventalator, Inc.  
Coby Skonord  
N31W23591 Rough Hill Road  
Pewaukee, WI 53072

Re: Deferred loan dates

Dear Coby,

Thank you for your update, its exciting to hear you're on an upward path to a sustainable successful business. The CDA agrees to offer the following extensions:

- A. The maturity date on loan #910-15006 (\$27,500) has been deferred until February 1, 2022.
- B. The maturity date on Loan #910-15012 (\$75,000) has been deferred until August 1, 2022.

Thank you for participating in the WEDC Capital Catalyst program, if you have any questions I can be reached at the office or via email.

Best regards,

Cathy

Cathy Anderson  
Economic Development Director  
(262) 473-0148  
[canderson@whitewater-wi.gov](mailto:canderson@whitewater-wi.gov)

EXHIBIT 9



**City of**  
**WHITEWATER**  
COMMUNITY DEVELOPMENT AUTHORITY

August 26, 2020

Inventalator, Inc.  
Coby Skonord  
N31W23591 Rough Hill Road  
Pewaukee, WI 53072

Re: A payment of \$500.00 received on August 18, 2020 to be applied to the Inventalator, Inc. \$27,500.00 loan #910-15006.

A payment of \$500.00 received on August 18, 2020 to be applied to the Inventalator, Inc. \$77,500.00 loan #910-15012.

Dear Coby,

Thank you for your payments towards your Capital Catalyst loans. Pursuant to our conversation on August 18, 2020, your due dates are as follows:

- A. The maturity date on loan #910-15006 is deferred until February 1, 2021.
- B. The maturity date of April 8, 2021 on Loan #910-15012 remains unchanged.

Thank you for participating in the WEDC Capital Catalyst program, if you have any questions I can be reached at the office or via email.

Best regards,

*Cathy Anderson*  
Cathy

Cathy Anderson  
Economic Development Director  
(262) 473-0148  
[canderson@whitewater-wi.gov](mailto:canderson@whitewater-wi.gov)

*Thank you!*

**INVENTALATOR INC** 79-233/759  
**N31W23591 ROUGH HILL RD**  
**PEWAUKEE WI 53072** DATE 8/18/20

PAY TO THE ORDER OF Whitewater CDA \$ 500.00  
Five Hundred and 1/100 DOLLARS

**FIRST CITIZENS STATE BANK**  
 WWW.FIRSTCITIZENSWW.COM  
 262-473-2112

MEMO 910-15012 Clyde MP

⑆075902337⑆ 134797⑈

**INVENTALATOR INC** 79-233/759  
**N31W23591 ROUGH HILL RD**  
**PEWAUKEE WI 53072** DATE 8/18/20

PAY TO THE ORDER OF Whitewater CDA. \$ 500.00  
Five Hundred and 1/100 DOLLARS

**FIRST CITIZENS STATE BANK**  
 WWW.FIRSTCITIZENSWW.COM  
 262-473-2112

MEMO 910-15006 Clyde MP

⑆075902337⑆ 134797⑈



# CDA Agenda Item

Meeting Date:	November 21, 2024
Agenda Item:	Discussion of Demolition of 216 E. Main
Staff Contact (name, email, phone):	Taylor Zeinert <a href="mailto:tzeinert@whitewater-wi.gov">tzeinert@whitewater-wi.gov</a> 262-473-0148

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

The CDA purchased the property at 216 East Main Street on March 5, 2024. The Request for Proposal (RFP) for Development of the property was approved by the CDA at the March 21, 2024 Board Meeting. The City failed to receive any responses as a result of the RFP.

Due to the lack of interest from developers, staff began exploring potential demolition of the property.

Staff contracted with North Star Environmental to inspect the property to test for the presence of asbestos and/or lead. The attached report from North Star Environmental reflects the presence of asbestos in the building.

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

- CDA approved the purchase of 216 E Main at the December 21, 2023 CDA Meeting.
- CDA approved the RFP for development of 216 E Main at the March 21, 2024 CDA Meeting.

**FINANCIAL IMPACT**  
(If none, state N/A)

**STAFF RECOMMENDATION**

Staff recommends the following motion:

- Move to demolish 216 E Main.

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

- Asbestos and Lead report from North Star Environmental.
- Photos



# PRE-DEMOLITION INSPECTION: **ASBESTOS & LEAD-BASED PAINT**

## City of Whitewater

**Site:**

216 E Main Street  
Whitewater, WI 53190

**Building:**

Commercial (former shop / apartment)

Inspection Date: October 8, 2024

Report Date: October 17, 2024

NorthStar No. 240-1252

**Central Wisconsin**

715.693.6112

**Fox Cities**

920.422.4888

**Madison**

608.827.6761

**Sheboygan**

920.422.4888

**Asbestos • Lead Paint • Mold • Indoor Air Quality • Industrial Hygiene**

October 17, 2024

City of Whitewater  
 c/o Bonnie Miller  
 312 West Whitewater Street  
 Whitewater, WI 53190

Project:	Pre-Demolition Inspection: Asbestos and Lead Paint
Site:	216 East Main Street Whitewater, WI 53190
Building:	Commercial (former shop / apartment)
Site Date:	October 8, 2024
NorthStar No.	240-1252

NorthStar Environmental Testing, LLC (NorthStar) was contracted by Bonnie Miller on behalf of the City of Whitewater to complete an inspection for the presence of asbestos containing materials (ACM) and lead-based paint (LBP) prior to the demolition of the commercial building located in Whitewater, Wisconsin. The inspection was conducted by James Gower of NorthStar on October 8, 2024.

**Asbestos containing materials were identified which will require abatement prior to demolition. Electrical panels are assumed to contain asbestos and require proper disposal. No lead-based paint was found for surfaces tested. Please review the report in its entirety for more specific information.**


Prepared by:  
 NorthStar Environmental Testing, LLC.  
 1320 Mendota Street, Suite 120  
 Madison, WI 53714

Provided to:  
 City of Whitewater  
 c/o Bonnie Miller  
 312 West Whitewater Street  
 Whitewater, WI 53190

NorthStar Environmental Testing, LLC.



Dave Barrett  
 Operations Manager  
 AII-01397 / LRA-01397



James Gower  
 Project Superintendent  
 AII-268367 / LRA-268367

*Asbestos • Lead Paint • Mold • Indoor Air Quality • Industrial Hygiene*

## **TABLE OF CONTENTS**

---

**INSPECTION SUMMARY**

**ASBESTOS SAMPLING SUMMARY**

**ASBESTOS CONTAINING MATERIAL SUMMARY**

**LEAD-BASED PAINT TESTING SUMMARY**

**LEAD-BASED PAINT TEST RESULTS**

**SURVEY LIMITATIONS**

**ANALYTICAL DISCUSSION**

**ASBESTOS RECOMMENDATIONS**

**LEAD-BASED PAINT RECOMMENDATIONS**

**REMARKS**

### **APPENDICES**

**A) Asbestos Sample Log**

**B) Lead-Based Paint Testing Data**

**C) Site Diagram**

**D) Photo Log**

**E) NorthStar Certifications**

**F) WDNR Guidance**

**Asbestos • Lead Paint • Mold • Indoor Air Quality • Industrial Hygiene**

October 17, 2024

City of Whitewater  
312 West Whitewater Street  
Whitewater, WI 53190

Project:	Pre-Demolition Inspection: Asbestos and Lead-Based Paint
Site Address:	216 East Main Street Whitewater, WI 53190
Survey Date:	October 8, 2024
NorthStar No.	240-1252

NorthStar Environmental Testing, LLC (NorthStar) was authorized by Bonnie Miller on behalf of the City of Whitewater to conduct a pre-demolition survey for the presence of accessible suspect asbestos containing materials (ACM) and lead-based paint (LBP) for the following site:

**INSPECTION SUMMARY:**

Site Address:	216 E Main Street Whitewater, WI 531906		
County:	Walworth		
Structure Type:	Commercial (former shop / apartment)		
Building Age:	1880		
Size:	1,300 sf		
Floors	2 (plus basement)		
# of Structures:	1		
Inspector:	James Gower	Certification:	All-268367
Company Cert:	NorthStar Environmental Testing, LLC	Certification:	DHS-925800
Survey Date:	October 8, 2024		
Comments:	Primary building materials: concrete block / field stone foundation, wood framed walls, asphalt shingle / metal roofing and transite siding. The building was vacant at the time of inspection.		

**ASBESTOS SAMPLING SUMMARY:**

Number of Samples:	51		
Number Analyzed:	52 (layers)	Point Count:	0
Asbestos Materials:	9" Vinyl Floor Tile	Vinyl Sheet Flooring (3 Types) and Adhesive	
	Transite Shingle Siding	Window Glazing	
Assumed ACM:	Electrical Panel		
Laboratory:	Eurofins CEI, Inc. NVLAP: 101768-0		
Analysis Date:	October 15, 2024 (Reported)	Point Count:	n/a

The attached Asbestos Sample Material Log details additional sample analysis data.

**ASBESTOS CONTAINING MATERIAL SUMMARY:**

Item 5.

**ACM** that will require abatement prior to disturbance by demolition:

Material	Bldg Level	Building Area	Quantity (approx)	Category/Comment
<sup>1</sup> Vinyl Sheet Flooring & Adhesive (white)	2	Kitchen Bath	180 sf <u>40 sf</u> 220 sf	Cat I & Friable Good Condition On Wood
Window Glazing	Ext	South, East & West (small windows)	9 sf (9 each)	Cat II Non-Friable Poor Condition On Wood
<sup>2</sup> Electrical Panel Interior	1	Storage	1 sf (1 each)	Cat II Non-Friable Assumed ACM
Transite Siding	Exterior	Exterior All Sides	2,500 sf	Cat II Non-Friable Good Condition On Wood

<sup>1</sup> The kitchen consists of two layers of asbestos containing vinyl sheet flooring. The bottom layer of vinyl sheet flooring adhesive does not contain asbestos.

<sup>2</sup> Electrical panels, boxes or components were not sampled due to potential electrical hazard. These components should be assumed ACM unless sampled to prove otherwise.

**Non-Friable ACM** that \*may remain in place for mechanical demolition unless the attached materials (concrete, wood, metal, etc.) will be recycled, reused or crushed:

Material	Bldg Level	Building Area	Quantity (approx)	Category/Comment
9" Floor Tile	2	2 <sup>nd</sup> Floor Bedroom	270 sf	Cat I Non-Friable Good Condition On Wood

**\*Any ACM allowed to remain in place during demolition must remain non-friable throughout the demolition process and would require proper landfill disposal. Abatement is recommended for any non-friable ACM that may become friable due to the demolition process. The Wisconsin Department of Natural Resources (WDNR) can be consulted with any specific questions regarding these issues.**

Material quantities are listed according to visible estimates at the time of the survey. It is recommended that all quantities be further verified by the building owner and/or an abatement contractor prior to project design, bidding, budgeting and/or WDNR notification purposes.

**The following areas were inaccessible or excluded** at the time of inspection and may contain additional quantities of suspect asbestos containing materials:

Inaccessible/Excluded Areas
Any additional suspect materials, if encountered, which differ from those tested should be assumed to contain asbestos and sampled if/when necessary.

**LEAD-BASED PAINT (LBP) TESTING SUMMARY:**

Item 5.

Testing Date:	October 8, 2024		
Contact:	Bonnie Miller (City of Whitewater) Phone: 920.817.4026		
Work Area:	Pre-Demolition		
<b>Materials Tested Pre-Demolition:</b>	Testing was limited to representative accessible cementitious surfaces (concrete, concrete block, brick, etc.) likely to be impacted by the planned demolition. Other areas or surfaces should be assumed to contain lead unless additional testing proves otherwise.		
<b>LBP for Demolition Items:</b>	<b>No LBP was identified for surfaces tested.</b>		
Comment:	For demolition and disposal, the State of Wisconsin defines lead-based paint as that which is equal to or greater than 1.0 mg/cm <sup>2</sup> by XRF.		
Inspector:	James Gower	Certification #:	LRA-268367
Lead Company:	DHS-925800	Expiration Date:	08/01/2025
Testing Equipment:	Viken PB 200e, Serial Number: 1122		

**LEAD-BASED PAINT TEST RESULTS: (Positive Results Only)**

Testing for lead-based paint analyzes all layers of paint on a particular surface area simultaneously. The testing does not specifically identify which layer or color of paint contains lead. A positive testing location indicates that some layer of paint on that surface contains lead in paint equal to or in excess of 1.0 mg/cm<sup>2</sup>.

Reading No	Wall	Structure	Location	Member	Paint Condition	Substrate	Color	Lead (mg/cm <sup>2</sup> )
<i>No LBP was detected at or above 1.0 mg/cm<sup>2</sup> for the surfaces tested.</i>								

**Notes:**

- All similar materials with the same paint history are to be categorized in the same manner. For example, if a window sill on side A is positive for LBP, then all similar window sills are assumed to contain lead-based paint unless specifically tested and proven otherwise.
- Additional areas of LBP are possible in inaccessible areas, areas hidden from view or materials/substrates contained behind or within other building materials.

**Please see attached “Lead-Based Paint XRF Testing Data” & site diagram for specific areas tested.**

## **SURVEY LIMITATIONS:**

Sample results, quantities and recommendations are for areas of the building that were accessible to us during the investigation. Additional assumed ACM or LBP that may have been located in spaces not accessible during our investigation, hidden from view, or not sampled at the client's request may require additional sampling prior to disturbance by renovation or demolition activity (see notes if applicable).

Areas that were inaccessible and not tested or inventoried during the investigation may have included: certain wall or ceiling cavities; electrical components/wiring; gasket material; fire door interiors; boiler, tank, and vessel interiors; equipment components and interiors; chimneys/flues/stacks; spaces requiring confined space entry procedures; structurally unsafe areas; isolated or inaccessible building areas; underground or buried components; and mechanical spaces or equipment that would require extensive demolition or dismantling to provide adequate access for material identification or sampling.

Roofing materials including built-up and membrane roofs, and associated flashings and coatings may have been assumed to be ACM (see applicable inspection notes).

Building materials or substrates that were exempt from sampling may have included metal, glass, wood, or fiberglass (exempt by WI DHS 159.04 (50)). Additional materials not accessible or not sampled during the survey may have included items such as miscellaneous caulks, sealants and construction adhesives that were not readily accessible to sample (may be located between layers of building components); concrete, concrete block, brick, stone, foam insulation, and carpet. These materials are typically non-friable in nature but may require further sampling to confirm or deny the presence of asbestos.

**Additional suspect materials encountered during renovation or demolition activity that differs from materials sampled or described during this survey must be assumed to contain asbestos and be managed as ACM, abated or sampled to determine asbestos content prior to disturbance.**

Material quantities are listed according to visible estimates at the time of the survey. It is recommended that all quantities be further verified by the building owner or abatement contractor prior to project design, bidding, budgeting and/or WDNR notification purposes. Material quantification was not performed for any sampled material found to be asbestos free or containing 1% or less asbestos.

## **ANALYTICAL DISCUSSION:**

Bulk sample analysis for asbestos was performed by polarized light microscopy (PLM); method Bulk EPA 600. Samples showing a result of "None Detected" were found to contain no asbestos in any analyzed portion of the sample.

EPA defines an ACM as a material that contains asbestos unless the asbestos concentration is found to be 1% or less asbestos by PLM. Materials confirmed by a point count result of 1% or less asbestos may be treated as a non-ACM. The building owner or client should be aware that exposure to asbestos is still possible when disturbing materials with 1% or less asbestos (trace amount) present and that OSHA worker protection procedures may be necessary.

## **REGULATORY RECOMMENDATIONS: (ASBESTOS)**

Wisconsin Department of Health Services (WI DHS); Wisconsin Department of Natural Resources (WDNR); Environmental Protection Agency (EPA); Occupational Safety & Health Administration (OSHA)

All friable ACM as well as non-friable ACM that would likely be made friable by intended demolition processes are required to be abated prior to disturbance.

Non-friable ACM (confirmed or assumed) remaining during demolition must be disposed of properly as demolition debris at an approved landfill (landfill requirements vary). Non-friable ACM typically require abatement prior to any material recycling procedure. For any building that will be subject to burning, all confirmed and assumed ACM must be removed. Materials containing any amount of asbestos including materials with 1% or less (trace amount), may still result in an exposure regulated by OSHA. Protective equipment or a negative exposure assessment for personal exposure may be required.

Abatement shall be performed by an abatement company utilizing trained and certified worker/supervisor and further licensed as an asbestos company by WI DHS, Asbestos Regulation 159.

Refer to WDNR 447 and WI DHS 159 for complete information on requirements for asbestos abatement and asbestos material disposal. Questions regarding asbestos abatement issues can be directed to the WDNR Asbestos Program Coordinator at (608) 266-7718. ***Important*** additional information on the proper management of asbestos, recycling concrete, the demolition process, and other materials that must be managed prior to demolition (light bulbs & ballasts, mercury & freon containing devices, etc.) can be found at:

- WI DHS <http://dhs.wisconsin.gov/asbestos/>
- WDNR <http://dnr.wi.gov/topic/Demo/Asbestos.html>
- WDNR <https://apps.dnr.wi.gov/doclink/waext/wa651.pdf>
- OSHA <https://www.osha.gov/laws-regs/regulations/standardnumber/1926/1926.1101>

## **REGULATORY RECOMMENDATIONS: (LEAD-BASED PAINT)**

Wisconsin Department of Health Services (WI DHS); Wisconsin Department of Natural Resources (WDNR) Environmental Protection Agency (EPA); Occupational Safety & Health Administration (OSHA); Housing and Urban Development (HUD)

The EPA and HUD defines LBP as equal to or greater than 1.0 mg/cm<sup>2</sup> measured by X-ray fluorescence (XRF) analysis, or 0.5% (5000 ppm) measured by weight through laboratory analysis. The State of Wisconsin has adopted the same definition of lead-based paint (primarily for residential HUD applications and for building demolition/disposal).

For worker exposure applications, lead in any quantifiable amount, and disturbance of the material creating dust and/or fumes and subsequent potential worker exposure would be regulated by the OSHA Lead in Construction Standard (29 CFR 1926.62).

Building materials coated with LBP that would likely be impacted or disturbed by intended renovation processes require special handling prior to or during disturbance (controlled work area, wet methods, hepa assisted tools or vacuums, avoiding prohibited methods – see OSHA or WI DHS regulations). If LBP is removed from the underlying substrate resulting in accumulated lead waste, additional work practices, disposal methods or testing of the waste by TCLP method may be required.

Our non-destructive testing by XRF has been performed in an attempt to screen for areas with quantifiable lead above regulatory limits on painted substrates. The reportable limit of detection is essentially 1.0 mg/cm<sup>2</sup> by XRF analysis and therefore paint chip analysis would be recommended for a more accurate determination of lead in paint below this level or to rule out lead in any quantifiable amount.



**REGULATORY RECOMMENDATIONS: (LEAD-BASED PAINT) continued:**

Item 5.

The testing performed was limited in scope and does not constitute a full lead paint inspection. Testing for lead in paint was conducted to assist with planning in regard to lead-safe construction practices and/or disposal or recycling activities. A surface-by-surface visual assessment of painted components was conducted at the property to determine which surfaces to test. Renovation activity beyond the anticipated work scope specified at the time of our site visit may require additional testing prior to disturbance.

Inaccessible areas hidden from view or contained within or behind other building materials may contain additional areas of suspect LBP. Any additional surfaces not specifically identified should be assumed to contain LBP unless tested and proven otherwise.

The calibration of the XRF analyzer was verified before and after testing by taking three readings from a source known to contain 1.02 mg/cm<sup>2</sup> lead (NIST Standard Reference Material). The three positive calibration readings were followed by a sample on bare wood containing no LBP.

Concrete, brick, or stone coated with LBP require disposal in a WDNR approved landfill and may require additional Toxicity Characteristic Leaching Procedure (TCLP) testing to further evaluate the waste. Concrete, brick, or stone that is not coated with LBP may be considered clean for recycling purposes **if other requirements are met**. Please refer to the WDNR Publication WA 605, Concrete Recycling and Disposal Fact Sheet. This publication contains **important** information on the recycling process along with who to contact at the WDNR for additional clarification, information, and approval; and can be found at:

- <https://apps.dnr.wi.gov/doclink/waext/WA605.pdf>

Reuse of clean concrete is exempt under s. NR 500.08(2)(a), Wis. Adm. Code. Certain environmental performance, location and operational requirements apply. Please review these requirements [s. NR 504.04(3)(c) and s.NR 504.04(4)] before placing used concrete on the land. For more information about this disposal exemption, refer to a separate frequently asked question, *What is defined as "clean fill" that does not have to be taken to a landfill?*, on the DNR website at:

- <http://dnr.wi.gov/topic/Waste/SolidFAQ.html>

**REMARKS:**

The survey and subsequent report have been performed according to applicable regulations and generally accepted industry standards and practices in this locality under similar conditions. Information provided to us by the building owner/occupant, client or other interested party that may have been utilized in the performance and reporting of the survey was accepted in good faith and can only be assumed to be accurate. The findings and recommendations made are representative of our professional opinion based on currently available information; no other warranty is implied or intended.

Please contact us if you have any questions regarding the presented information or the project in general.

Sincerely,  
NorthStar Environmental Testing, LLC.



Dave Barrett  
Operations Manager



James Gower  
Project Superintendent

# City of Whitewater

**216 E Main Street  
Whitewater, WI 53190**

**October 8, 2024**

**ASBESTOS MATERIAL SAMPLE LOG**

<b>Client:</b>	City of Whitewater	<b>NorthStar No.</b>	240-1252
<b>Location:</b>	216 E Main Street Whitewater, WI 53190	<b>Date Collected:</b>	October 8, 2024
<b>Work Area:</b>	Pre-Demolition	<b>Inspector:</b>	James Gower
<b>Laboratory:</b>	Eurofins CEI, Inc.	<b>Date Analyzed:</b>	October 15, 2024 (Reported)

Sample ID	Bldg. Level	Material Location	Material Sample	Description	Asbestos Content
1252-1	2	2 <sup>nd</sup> Floor: Livingroom - Wall	Plaster Skim Coat	White	None Detected
1252-2	2	2 <sup>nd</sup> Floor: Livingroom - Wall	Plaster Base Coat	Grey	None Detected
1252-3	2	2 <sup>nd</sup> Floor: Livingroom – Ceiling	1'x 1' Ceiling Tile	Tan	None Detected
1252-4	2	2 <sup>nd</sup> Floor: Day Room – Ceiling	Plaster Skim Coat	White	None Detected
1252-5	2	2 <sup>nd</sup> Floor: Day Room – Ceiling	Plaster Base Coat	Grey	None Detected
1252-6	2	2 <sup>nd</sup> Floor: Bedroom – Floor	9" Vinyl Floor Tile, on Wood	Green	<b>5% Chrysotile</b>
1252-7	2	2 <sup>nd</sup> Floor: Bedroom – Floor	Adhesive, On Vinyl / Wood	Black	None Detected
1252-8	2	2 <sup>nd</sup> Floor: Bedroom – Floor	Tar Paper, On Wood	Black	None Detected
1252-9	2	2 <sup>nd</sup> Floor: Bedroom – Ceiling	Plaster Skim Coat	White	None Detected
1252-10	2	2 <sup>nd</sup> Floor: Bedroom – Ceiling	Plaster Base Coat	Grey	None Detected
1252-11	2	2 <sup>nd</sup> Floor: Kitchen – Floor	Vinyl Sheet Floor, On Vinyl (Top Layer)	Brown Pattern	<b>20% Chrysotile</b>
1252-12	2	2 <sup>nd</sup> Floor: Kitchen – Floor	Adhesive, On Vinyl (Top Layer)	Brown	<b>3% Chrysotile</b>
1252-13	2	2 <sup>nd</sup> Floor: Kitchen – Floor	Vinyl Sheet Floor, On Wood (Bottom Layer)	White	<b>5% Chrysotile</b>
1252-14	2	2 <sup>nd</sup> Floor: Kitchen – Floor	Adhesive, On Vinyl / Wood (Bottom Layer)	Brown	None Detected
1252-15	2	2 <sup>nd</sup> Floor: Bath – Floor	Vinyl Sheet Floor, On Wood	White	<b>20% Chrysotile</b>
1252-16	2	2 <sup>nd</sup> Floor: Bath – Floor	Adhesive, On Vinyl / Wood	Grey	<b>3% Chrysotile</b>
1252-17	2	2 <sup>nd</sup> Floor: Bath - Wall	Plaster Skim Coat	White	None Detected
1252-18	1	2 <sup>nd</sup> Floor: Bath - Wall	Plaster Base Coat	Grey	None Detected
1252-19	1	2 <sup>nd</sup> Floor: Hall – Floor	Vinyl Sheet Floor, On Wood	White Pattern	None Detected
1252-20	1	2 <sup>nd</sup> Floor: Hall – Floor	Adhesive, On Vinyl / Wood	Brown	None Detected

**ASBESTOS MATERIAL SAMPLE LOG**

<b>Client:</b>	City of Whitewater	<b>NorthStar No.</b>	240-1252
<b>Location:</b>	216 E Main Street Whitewater, WI 53190	<b>Date Collected:</b>	October 8, 2024
<b>Work Area:</b>	Pre-Demolition	<b>Inspector:</b>	James Gower
<b>Laboratory:</b>	Eurofins CEI, Inc.	<b>Date Analyzed:</b>	October 15, 2024 (Reported)

Sample ID	Bldg. Level	Material Location	Material Sample	Description	Asbestos Content
1252-21	1	Landing – Floor	9" Brown Vinyl Floor Tile, On Wood	Brown	None Detected
1252-22	1	Landing – Floor	Adhesive, On Vinyl / Wood	Brown	None Detected
1252-23	1	2 <sup>nd</sup> Floor Entryway – Floor	Vinyl Sheet Floor, On Wood	White	None Detected
1252-24	1	2 <sup>nd</sup> Floor Entryway – Floor	Adhesive, On Vinyl / Wood	Brown	None Detected
1252-25	1	Shop	Caulking, on Wood Window	White	None Detected
1252-26	1	Bath – Wall	Texture, On Drywall	White	None Detected
1252-27	1	Bath – Wall	Drywall & Joint Compound (Composite)	White	None Detected
1252-28	1	Bath – Ceiling	Texture, On Drywall	White	None Detected
1252-29	1	Bath – Ceiling	Drywall & Joint Compound (Composite)	White	None Detected
1252-30	1	Side Entryway – Wall	Texture, On Drywall	White	None Detected
1252-31	1	Side Entryway – Wall	Drywall & Joint Compound (Composite)	White	None Detected
1252-32	1	Side Entryway – Wall	Plaster Skim Coat	White	None Detected
1252-33	1	Side Entryway – Wall	Plaster Base Coat	Grey	None Detected
1252-34	1	Storage – Wall	Plaster Skim Coat	White	None Detected
1252-35	1	Storage – Wall	Plaster Base Coat	Grey	None Detected
1252-36	1	Garage - Wall	Fiberboard	Brown	None Detected
1252-37	1	Garage - Ceiling	Plaster Skim Coat	White	None Detected
1252-38	1	Garage - Ceiling	Plaster Base Coat	Grey	None Detected
1252-39	Bsmt	Basement – Wall	Mortar, On Stone	Grey	None Detected
1252-40	Bsmt	Basement – Wall	Mortar, On Stone	Grey	None Detected

**ASBESTOS MATERIAL SAMPLE LOG**

<b>Client:</b>	City of Whitewater	<b>NorthStar No.</b>	240-1252
<b>Location:</b>	216 E Main Street Whitewater, WI 53190	<b>Date Collected:</b>	October 8, 2024
<b>Work Area:</b>	Pre-Demolition	<b>Inspector:</b>	James Gower
<b>Laboratory:</b>	Eurofins CEI, Inc.	<b>Date Analyzed:</b>	October 15, 2024 (Reported)

Sample ID	Bldg. Level	Material Location	Material Sample	Description	Asbestos Content
1252-41	Ext	Exterior: East	Transite Siding	Grey	<b>15% Chrysotile</b>
1252-42	Ext	Exterior: East	Tar Paper	Black	None Detected
1252-43	Ext	Exterior: West	Transite Siding	Grey	<b>15% Chrysotile</b>
1252-44	Ext	Exterior: West	Tar Paper	Black	None Detected
1252-45 Layer 1	Ext	Exterior: South	Caulking, On Large Wood Window	Grey	None Detected
1252-45 Layer 2	Ext	Exterior: South	Caulking, On Large Wood Window	Brown	None Detected
1252-46	Ext	Exterior: West	Glazing, On Wood Window	Grey	<b>3% Chrysotile</b>
1252-47	Ext	Exterior: East	Glazing, On Wood Window	Grey	<b>5% Chrysotile</b>
1252-48	Roof	Exterior: West	Asphalt Shingle	Black	None Detected
1252-49	Roof	Exterior: West	Tar Paper	Black	None Detected
1252-50	Roof	Exterior: West	Asphalt Shingle	Black	None Detected
1252-51	Roof	Exterior: West	Tar Paper	Black	None Detected

# City of Whitewater

**216 E Main Street  
Whitewater, WI 53190**

**October 8, 2024**



**LEAD PAINT XRF TESTING DATA**

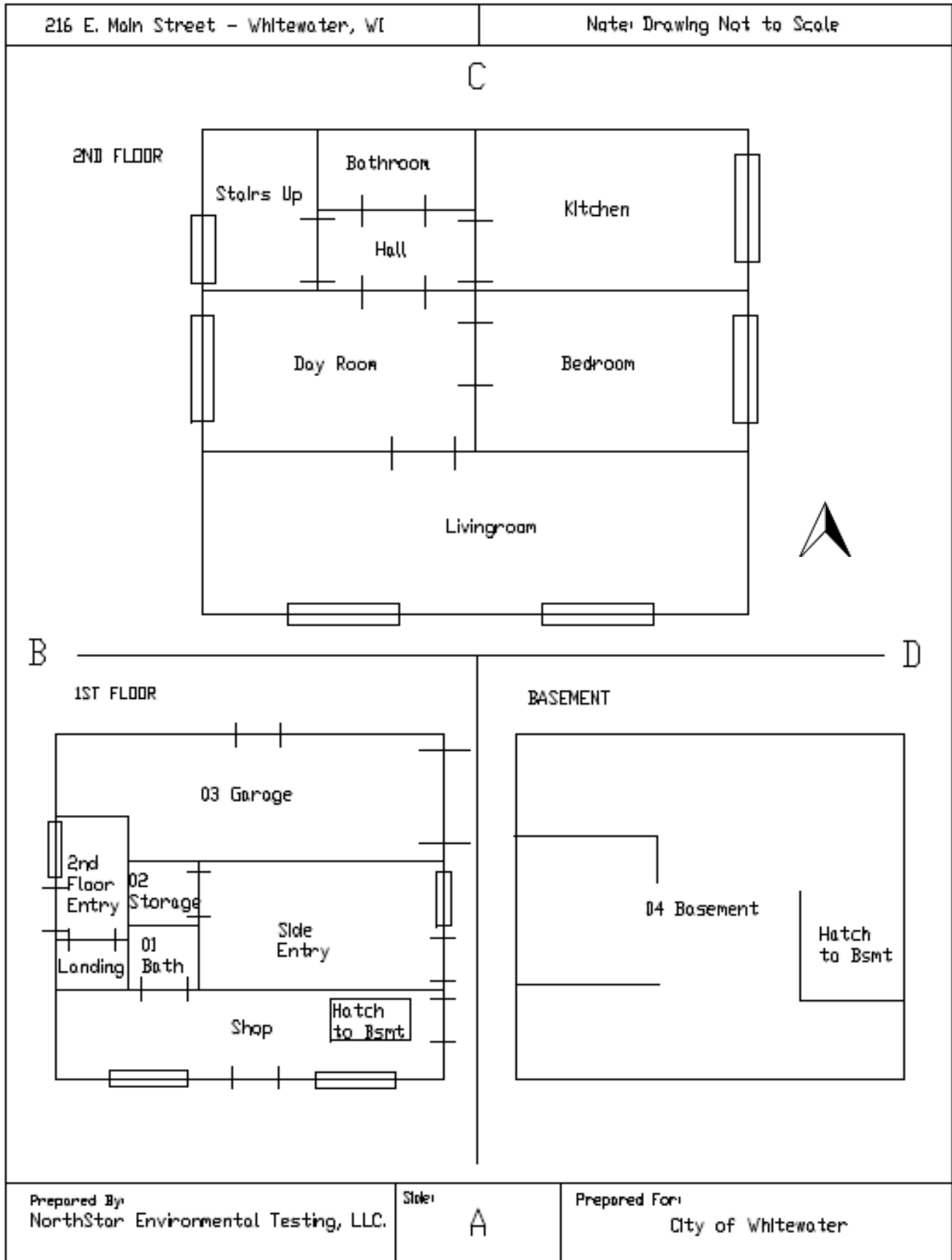
<b>Client:</b>	City of Whitewater	<b>NorthStar No.</b>	240-1252
<b>Location:</b>	216 E Main Street Whitewater, WI 53190	<b>Site Date:</b>	October 8, 2024
<b>Work Area:</b>	Pre-Demolition	<b>Inspector:</b>	James Gower

Reading No.	Wall	Structure	Location	Member	Paint Condition	Substrate	Color	Lead (mg/cm <sup>2</sup> )
Pre – Calibration								
1								1.1
2								1
3								0.9
4								0.1
Exterior 001 – Building								
5	A	Foundation			Poor	Concrete	Brown	0.3
6	D	Foundation			Poor	Concrete	Brown	0.2
Interior Room 001 – Bathroom								
7	A	Floor			Poor	Concrete	White	0.2
Interior Room 002 – Storage								
8	B	Floor			Poor	Concrete	White	0.1
Interior Room 003 – Garage								
9	C	Floor			Poor	Concrete	Grey	0.2
Interior Room 004 – Basement								
10	B	Floor			Poor	Conc. Block	White	0.2
11	C	Floor			Poor	Conc. Block	White	0.1
12	D	Floor			Poor	Conc. Block	White	0.2
Post – Calibration								
13								1.
14								1
15								1.1
16								0.1

**Abbreviations:** U = Upper | L = Lower | Rgt = Right | Lft = Left | Ctr = Center | Bsmt = Basement

**Note:**

- Wall A (south) is the road/street side (E Main St) of the building. Walls B/C/D are determined clockwise from wall A.
- The State of Wisconsin defines lead-based paint as that which is equal to or greater than 1.0 mg/cm<sup>2</sup> by XRF. Paint chip analysis would be recommended for determination of lead in paint below this level or to rule out lead in any quantifiable amount (for OSHA related information).
- Readings with a negative value (i.e. -0.1) are equivalent to 0.0.
- The calibration of the XRF analyzer was verified before and after testing by taking three readings from a source known to contain 1.02 mg/cm<sup>2</sup> lead (NIST Standard Reference Material). The three positive calibration readings were followed by a sample on bare wood containing no lead-based paint.





**Photo No. 1**

**Area:**  
2<sup>nd</sup> Floor: Bedroom

**Item:**  
9" Vinyl Floor Tile- Green

**Sample #:** 1252-6

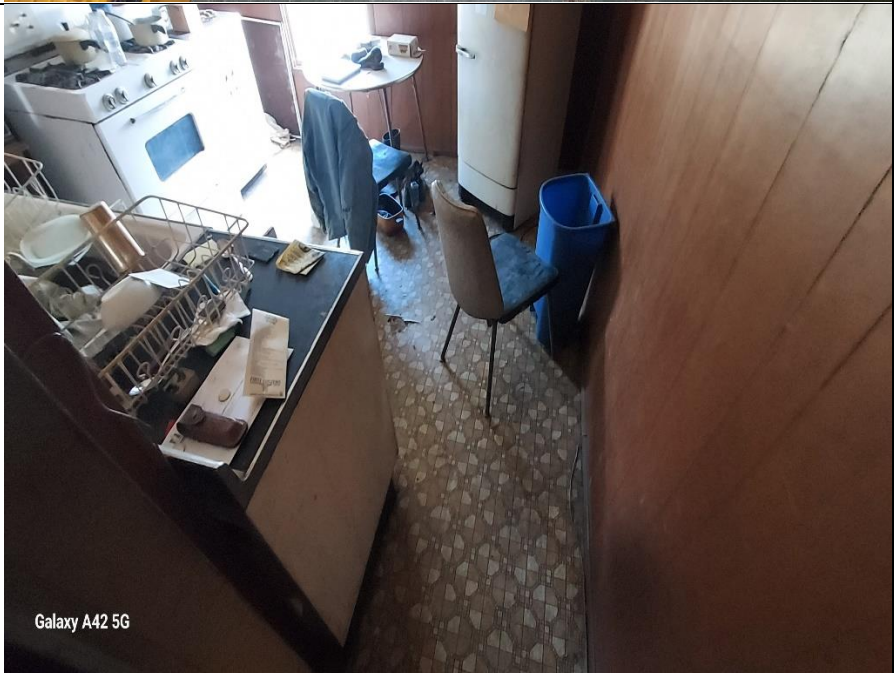


**Photo No. 2**

**Area:**  
2<sup>nd</sup> Floor: Kitchen  
(top layer)

**Item:**  
Vinyl Sheet Flooring  
(brown pattern) and  
Adhesive (brown) on Top of  
Asbestos Containing Vinyl  
Sheet Floor (white)

**Sample #:** 1252-11, 12, 13

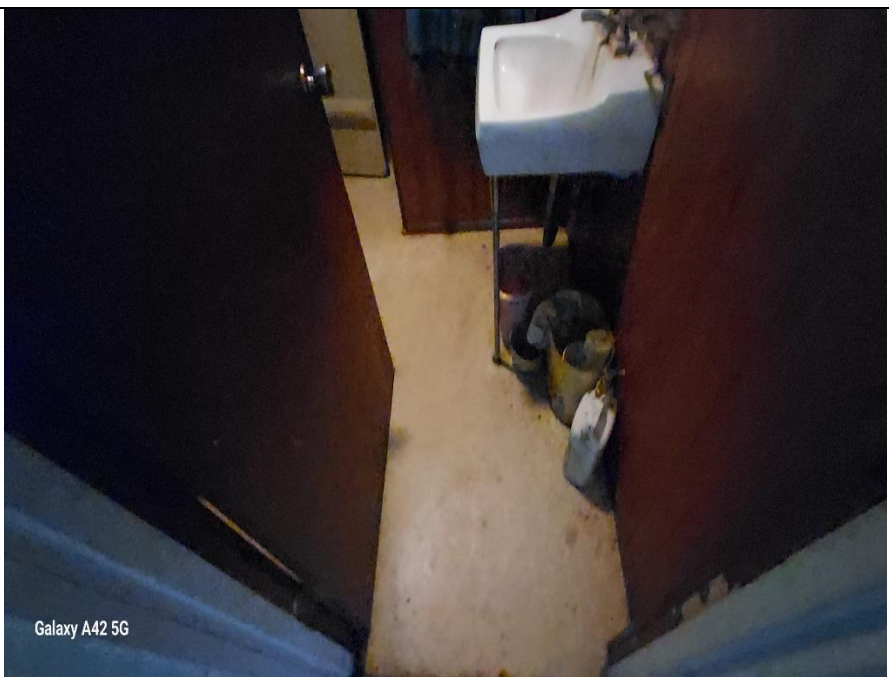


**Photo No. 3**

**Area:**  
**2<sup>nd</sup> Floor: Bathroom**

**Item:**  
**Vinyl Sheet Floor (white)  
and Adhesive (grey)**

**Sample #: 1252-15, 16**



**Photo No. 4**

**Area:**  
**Exterior: South Side**

**Item:**  
**Transite Siding**



Photo No. 5

Area:  
Exterior: West Side

Item:  
Window Glazing

Sample #: 1252-46, 47



Item 5.



**NORTHSTAR ENVIRONMENTAL TESTING LLC**  
 1006 WESTERN AVE, MOSINEE, WI 54455-1530 | (715) 693-6112

is a

**Certified Asbestos Company**  
**DHS ID 925800**

under Wisconsin Admin. Code ch. DHS 159.

Issued Date: May 30, 2023  
 Expiration Date: August 1, 2025

**COPY**



*Miriam Hasan*  
 Miriam Hasan  
 Supervisor, Lead & Asbestos Certification Unit

Wisconsin Department of Health Services  
 1 W Wilson Street  
 Madison, WI 53701  
 608-261-6876 | dhasbestoslead@dhs.wisconsin.gov

**NORTHSTAR ENVIRONMENTAL TESTING LLC**  
 1006 WESTERN AVE, MOSINEE, WI 54455-1530 | (715) 693-6112

is a

**Certified Lead Company**  
**DHS ID 925800**

under Wisconsin Admin. Code ch. DHS 163.

Issued Date: May 30, 2023  
 Expiration Date: August 1, 2025

**COPY**



*Miriam Hasan*  
 Miriam Hasan  
 Supervisor, Lead & Asbestos Certification Unit

Wisconsin Department of Health Services  
 1 W Wilson Street  
 Madison, WI 53701  
 608-261-6876 | dhasbestoslead@dhs.wisconsin.gov



# PLANNING YOUR DEMOLITION OR RENOVATION PROJECT:

A Guide to Hazard Evaluation, Recycling and Waste Disposal  
(Formerly called Pre-Demolition Environmental Checklist)

**INFORMATION ON IDENTIFYING, HANDLING AND PROPERLY DISPOSING OF HAZARDOUS MATERIALS**

## PLANNING YOUR PROJECT

**1** ✓ Conduct a walk-through of the project building(s) and grounds to **identify items that contain harmful materials** and other site-related concerns.

**2** ✓ **Identify and quantify harmful materials at your job site** with specialized inspectors or contractors, if necessary

**3** ✓ **Notify the DNR of demolition or renovation activities prior to starting any demolition or renovation work.**

**4** ✓ **Hire specialized consultants, contractors or transporters to remove and properly manage harmful materials prior to starting your project.**

**5** ✓ **Request and file all receipts for the disposal of harmful and non-harmful materials related to the project to avoid potential enforcement action.**

**B**efore beginning any demolition or renovation project, it is important to know about harmful materials that may be present on your project site.

This guide walks contractors and building owners through the steps to identify harmful materials commonly found at project sites and to handle and dispose of them safely. It also offers proper ways to manage recyclable and reusable materials and other wastes that are common in demolition and renovation projects.

The Resources section on the last page has links to websites with more information.

**Note:** This document is not intended as a substitute for reading the rules, regulations, and statues related to handling demolition and renovation debris. It is simply a guide to assist you in determining how they apply to your demolition or renovation project.

**COMMON HARMFUL MATERIALS**

**B**uildings can contain a number of harmful materials that may expose workers and the public to serious health risks and pollute the air, land and water if handled or disposed of in an unsafe way. Five of these harmful materials are common on project sites and need special care in identification and handling:

- ▶ **Asbestos**
- ▶ **CFCs (chlorofluorocarbons) and halons**
- ▶ **Lead**
- ▶ **Mercury**
- ▶ **PCBs (polychlorinated biphenyls)**

# FIVE STEPS TO A SUCCESSFUL DEMOLITION OR RENOVATION PROJECT

## 1 STEP 1. Conduct a walk-through of the project building(s) and grounds to identify items that contain harmful materials and other site-related concerns.

Identifying hazardous materials before starting work on a project site protects worker health and safety, building occupants, and the financial viability of the project. Doing this up front can help you choose the appropriate inspectors, consultants and contractors and avoid costly change orders or project delays.

Before you begin any demolition or renovation project, thoroughly inspect and inventory the project site for the following items:

- **Appliances:** Appliances may contain CFCs, mercury or PCBs. Appliances that contain CFCs or PCBs must be processed by an appliance de-manufacturer registered with the DNR.
- **Building materials and fixtures that may contain asbestos:** All layers of materials, behind walls, ceiling spaces, etc., should be inspected and sampled unless they are assumed to contain asbestos. The following building components may contain asbestos, but this list is by no means all-inclusive:
  - **Caulking:** Used around windows, doors, corrugated roofing and other places where two materials are joined. PCBs have also been found in caulking materials. Schools and industrial buildings constructed or renovated between 1950 and 1979 are suspected to contain PCB-containing caulk.
  - **Ceilings:** Including acoustical tiles and adhesives, and the materials listed under "Interior and exterior walls" below. All ceiling layers and any spaces above the ceiling where drop ceilings are present should be checked. Insulation debris may also be lying on top of ceiling tiles.
  - **Electrical systems:** Insulators; spark arrestors and transite panels in electrical boxes; wiring insulation; ducts/conduits (transite pipe); and light fixtures.
  - **Flooring:** All sizes of vinyl floor tile, sheet flooring, and linoleum, and felt paper used under hardwood floors.
  - **HVAC systems:** Duct, pipe, and joint insulation because elbows/joints are often coated with asbestos; fiberglass insulation on the straight runs; forced air dampers; wall, floor and chimney penetrations; lining and mortar; fire brick; fire-proofing materials such as transite sheets or heavy paper; boiler insulation; flexible fabric connectors; packing/gaskets and adhesives; paper backing; mastic/adhesives (floor tile, carpet, etc.); and grout and felt paper under hardwood floors.
- **Insulation in ceilings and walls:** Blown-in, spray-applied, and block.
- **Interior and exterior walls:** Wall plaster; joint compound; patches; transite wallboard and siding; fire doors; window putty/glazing/caulking; mortar; asphalt shingles/siding; felt under siding, stucco, textured paint, and other spray-applied materials. Paint containing asbestos is rare except in commercial applications, where it was usually applied as a very thick, often silver-colored coating or added to textured paints.
- **Miscellaneous:** Appliances with a heating element, especially older models; fire curtains and blankets; laboratory tabletops; fume hood linings; blackboards; and fire-resistant clothing like gloves, hoods, aprons, etc.
- **Plumbing:** Pipe wrap, pipe joints, transite counter tops in bathrooms, faucets, packing gaskets, and adhesives.
- **Roofing:** Asphalt shingles; tar-type coatings which are often around vents, chimneys, etc.; transite shingles; roofing felts that are often under a layer of other material; flashings; and mag-block type material found under other material. Check all roof areas and roofing layers.
- **Lighting fixtures/ballasts and bulbs/lamps:** Switches for lighting may use mercury relays. Look for any control associated with exterior or automated lighting systems, such as "silent" wall switches. Several types of light bulbs or lamps contain mercury and must be properly legitimately recycled or disposed of as hazardous waste. These include:
  - **Fluorescent lights:** Even the newer lamps with green-colored ends contain mercury.
  - **High intensity discharge:** metal halide, high pressure sodium, mercury vapor.
  - **Neon**
- **Meters and switches:** Mercury may be found in thermometers, barometers, thermostats, blood-pressure devices, and fluorescent and other types of light bulbs. Any equipment used for measurement of vacuum, pressure, fluid level, temperature, or flow rate could contain mercury. These devices are



most commonly associated with commercial and industrial equipment systems, including tanks, boilers, furnaces, heaters, electrical systems, water cleaning systems, and systems for the movement or pumping of gas (air) or liquids (water). In addition, mercury containing devices are also common in certain agricultural operations such as dairy, and may be present in older model consumer appliances and residential properties, especially larger multi-unit properties.

- **Oil:** Used oil in containers or tanks, hydraulic oils in machinery, electrical transformers and capacitors, and elevator shafts. These oils may contain PCBs and may need to be tested to determine if the oil can be recycled or must be properly disposed of.
- **Paint:** Residential and industrial paints may contain lead, solvents or asbestos. Some industrial paints may contain PCBs.

In addition to the items listed above, be aware of these other site-related concerns:

- **Abandoned wells:** Unused and improperly abandoned wells are a significant threat to groundwater quality. If not properly filled, abandoned wells can directly channel contaminated surface water into the groundwater. State law requires that all wells and drill holes be properly filled prior to any demolition or construction work on the property.
- **Batteries (non-lead-containing):** Batteries may be found in smoke detectors, emergency lighting systems, elevator control panels, exit signs, security systems and alarms. Batteries should be separated from other wastes and taken to a recycling facility or a business that accepts batteries for recycling.
- **Computers and other electronics:** Most electronics are banned from Wisconsin landfills and must be recycled. These can contain hazardous materials such as lead, cadmium, chromium, and mercury and, if not recycled, may be regulated as hazardous waste.
- **Exit signs:** Many self-luminous exit signs contain tritium, a radioactive material. All self-luminous exit signs must have a permanent label that identifies it as containing radioactive material. The label will also include the name of the manufacturer, the product model number, the serial number, and the quantity of tritium contained. It is illegal to abandon or dispose of these signs except by sending them to the manufacturer or to others licensed by the U.S. Nuclear Regulatory Commission.

## ► HAZARDOUS AND UNIVERSAL WASTES

Some wastes, such as used or unused solvents, sanitizers, paint wastes, chemical wastes, pharmaceuticals, gas cylinders, aerosol cans and pesticides, may be hazardous waste and regulated by the EPA and DNR. Hazardous wastes must be removed from a project site prior to demolition or renovation and be disposed of according to specific rules. Read the DNR publication "Is Your Waste Hazardous?" (WA-1152) at <http://dnr.wi.gov/files/pdf/pubs/wa/wa1152.pdf> to determine if a waste is hazardous. See *Handling and Disposal Choices* on page 7 for information on how to dispose of hazardous wastes on a project site.

Universal wastes are hazardous wastes that can be collected and transported with fewer regulations. Universal wastes include hazardous waste batteries, certain pesticides, mercury thermostats and other mercury-containing equipment and some lamps (light bulbs). In Wisconsin, antifreeze can also be managed as a universal waste if it is recycled. See chapter NR 673 of Wisconsin Administrative Code for more details on recycling and reusing universal waste.

- **Painted concrete:** Walls and foundations often contain painted concrete. With prior DNR approval, contractors can grind the concrete and use it on-site or nearby under a new building or road.
- **Smoke detectors:** The smoke detectors that contain a small amount of radioactive material will be labeled and should be returned to the manufacturer for disposal. Otherwise, smoke detectors may go in the trash.
- **Soil contamination:** A qualified environmental consultant can conduct environmental property assessments including identification of contaminated soil.
- **Spills:** In Wisconsin, all spills of hazardous substances that negatively affect or threaten to negatively affect public health, welfare or the



## ► REUSE AND RECYCLING OF MATERIALS

Many materials, fixtures and components can be donated or sold for reuse or recycled prior to demolition. As you inventory the project site for harmful materials, take note of materials that can be reused or recycled and remove them from the project site before demolition work begins.

- The Wisconsin Business Materials Exchange is a web service that facilitates the reuse of surplus or unwanted items or materials among businesses, institutions, and organizations. You can use this tool to post items that are available and request an item you may need.
- Consider holding an auction as a way to reuse building materials, fixtures and components once all the harmful materials have been removed.
- Clean brick, building stone, concrete and asphalt can be stockpiled for crushing and reusing in future building projects.
- Clean, untreated wood can be recycled or chipped for mulch or ground cover.
- Many items such as appliances, electronics, paper and cardboard, glass containers and vehicle items are banned from Wisconsin landfills and must be recycled. For a complete list of these items, go to [dnr.wi.gov](http://dnr.wi.gov) and search "what to recycle."
- The online Wisconsin Recycling Markets Directory contains a list of self-identifying businesses accepting recyclable materials. Make sure your chosen recycler meets local, state and federal regulatory requirements.
- Demolition debris may be taken to a construction and demolition recycling facility if all harmful materials, including all types of asbestos, are removed prior to demolition or renovation.

## ► OPEN BURNING

It is illegal to burn painted, treated or unclean wood, asphalt, plastics of any kind, oily substances, tires and other rubber products, garbage, recyclables, wet rubbish, and other materials. Demolition materials that cannot be burned include: roofing materials, all kinds of flooring materials, insulation, plywood and other composition board, electrical wiring, cabinetry and countertops, and plastic plumbing.

Burning of clean, unpainted and untreated wood is allowed with a DNR burning permit using DNR-approved methods. When burning this type of wood from demolition waste, you must separate out all of the illegal materials, including painted or treated wood, before any burning occurs. The DNR encourages chipping clean, untreated wood for mulch or ground cover.

If you do decide to burn clean, unpainted and untreated wood, it is your responsibility to know what restrictions apply in the area where you are burning. Remember, you must also follow local burning ordinances that may be more restrictive than state law. Contact your local fire department, town chairperson, or local municipal official for more information on local burning rules.

It is illegal to burn unwanted buildings in Wisconsin. The only exception is for a fire department training exercise. For more information on how to prepare a building for a fire department training exercise, contact the DNR asbestos program coordinator at (608) 266-3658.

environment *must* be immediately reported to the DNR via the Spills Hotline, 800-934-0003.

- **Tanks:** Chemical tanks (underground and aboveground) and septic tanks should be assessed, emptied and decommissioned.
- **Tires:** Tires should be reused or recycled. Your local landfill may collect them for recycling or you can check WisconsinRecyclingDirectory.com and search for “motor vehicle items” and then “tires.”

---

## 2 STEP 2. Identify and quantify harmful materials at your job site with specialized inspectors or contractors, if necessary

---

Asbestos and lead have specific requirements from the Department of Natural Resources and the Department of Health Services for their identification and testing on a project site. See the sections on asbestos and lead in this step for those requirements.

You can identify other harmful materials on a project site, such as CFCs and halons, mercury, and PCBs, by doing an inventory of the building systems and fixtures for the items listed here and in Step 1. You may need some testing to confirm the presence of these materials. The DNR recommends hiring an inspector or consultant who has sufficient experience identifying these materials and can collect samples, if necessary, that will help in identification.

If you have a large or complex project, it may make sense to hire a consultant to oversee the coordination of all waste identification and disposal activities.

### ► Asbestos

**Health risks:** Asbestos is a known human carcinogen that can cause serious health problems when disturbed and inhaled. Historically, asbestos was commonly used in industrial, commercial, and residential structures. Asbestos is still used today but to a lesser extent.

**Location and/or materials:** Asbestos is used in more than 3,000 building materials. Asbestos is commonly found in HVAC systems, electrical systems, interior and exterior walls, roofing materials, ceilings, plumbing, and flooring insulation. It is also found in appliances with a heating element, fire curtains and blankets, laboratory tabletops, fume hood lining, blackboards and fire resistant clothing. Refer to Step 1 for a detailed list of building materials and locations that may contain asbestos.

**Identification and testing:** The Department of Health Services requires licensed inspectors to identify asbestos. Inspectors can assume asbestos to be present, or they can identify it through testing. The DNR requires an asbestos inspection for certain projects and recommends it for others.

### Required projects:

- Two or more contiguous single family homes
- Homes that are part of a larger demolition project
- Multi-family housing with five or more units
- Industrial, manufacturing or commercial buildings including bridges, farm buildings, and churches
- Any structure being prepped for a fire training exercise

### Recommended projects:

- Single family homes
- Multi-family housing with 2–4 units

Inspection must be completed and asbestos materials must be removed before beginning any demolition or renovation activities.

### ► CFCs (chlorofluorocarbons) and halons

**Health risks:** CFCs and halons damage the earth’s protective ozone layer high in the atmosphere, allowing greater exposure to the sun’s dangerous ultraviolet rays. Some of the harmful effects of increased UV exposure include increased risk of skin cancer, eye cataracts, immune system deficiencies, and crop damage.

**Location and/or materials:** CFCs can be found in refrigerants in rooftop, room and central air conditioners, refrigerators, freezers, and chillers, dehumidifiers, heat pumps, water fountains and drinking coolers, walk-in coolers (refrigeration or cold storage areas), vending machines and food display cases. Halons are found in fire extinguishers and other fire control equipment.

### ► Lead

**Health risks:** Inhaling or swallowing lead dust can cause serious health effects, including kidney disease, neuropathy, infertility, heart and cardiovascular disease, stroke, memory problems, and Alzheimer’s disease.

**Location and/or materials:** Lead plumbing and lead-based paint are commonly found in many older buildings. Lead may be found in paint on woodwork and metal equipment, leaded glass, lead window-sash weights, lead flashing molds, roof vents, lead pipes and solder. Lead is found in both indoor and outdoor applications. Lead is also found in lead-acid batteries associated with older lighting, exit signs, and security systems.

**Identification and testing:** The Department of Health Services requires licensed inspectors and risk assessors to identify lead paint. When building surfaces or components are being renovated in any residential and child-occupied buildings built before 1978 (such as private homes, rental units, day care centers, and schools), lead paint must be assumed to be present or identified through testing.

Lead paint sampling is recommended on commercial and industrial projects. The US discontinued manufacturing lead paint for residential use by 1978, but lead is still used in specialty paints in commercial and industrial applications. Most buildings have multiple layers of paint, and all layers should be considered.

### ► Mercury

**Health risks:** Liquid mercury evaporates slowly at room temperature and gives off harmful vapors that are invisible and odorless. Breathing these vapors causes the most harm to people, but mercury can also be harmful when it comes in contact with broken skin or when it is swallowed. Women and children are most at risk from mercury poisoning, which can cause brain and nerve damage, resulting in impaired coordination, blurred vision, tremors, irritability and memory loss. Mercury poisoning also causes birth defects.

**Location and/or materials:** Mercury may be found in thermometers, barometers, thermostats, dental offices, blood-pressure devices, and fluorescent and other types of light bulbs. Any equipment used for measurement of pressure, fluid level, temperature, or flow rate could contain mercury. These devices are most commonly associated with commercial and industrial equipment systems, including tanks, boilers, furnaces, heaters, electrical systems, water cleaning systems, and systems for the movement or pumping of gas (air) or liquid (water). In addition, mercury containing devices are common in certain agricultural operations such as dairy, and may be present in older model consumer appliances, vehicle light switches and residential properties, especially larger multi-unit

properties. Dental offices use mercury-containing amalgam that may be found in sink drain traps. Mercury can also be found as part of older wastewater treatment plant trickling filters.

### ► PCBs (polychlorinated biphenyls)

**Health risks:** PCBs may cause cancer in humans and can disrupt hormone and nervous system function. PCBs are persistent in the environment and stay in animals' and humans' systems. PCBs are a source of contamination in fish and have caused fish consumption advisories for humans.

**Location and/or materials:** PCBs can be found in electrical oils (e.g. transformers and capacitors in appliances) electronic equipment, heat transfer equipment, hydraulic fluids, light ballasts, industrial paints, specialty paints (e.g. swimming pools) and caulking materials. Sumps, oil traps and concrete flooring in facilities that used or manufactured PCBs may be contaminated with PCBs as well. Electrical devices manufactured prior to 1978 should be assumed to contain PCBs.

**Identification and testing:** You may be able to determine PCB concentrations in electrical equipment oil using identification labels, documents from the manufacturer indicating the PCB concentration at the time of manufacture, or service records showing the PCB concentration measured when the equipment was serviced. If a manufactured date and PCB content label are not found on a transformer or capacitor, the oil should be tested to determine the PCB content prior to dismantling and disposal. Oil-filled electrical equipment labeled "No PCBs" may still contain PCBs, but at a concentration lower than what the EPA regulates. The oils in this equipment should still be tested to see if they contain PCBs and then handled appropriately.

Testing of specialty paint, epoxies and caulks in buildings built or renovated between 1950 and 1979 is recommended. High levels of PCBs are being found in these materials across the country. Once testing is complete, boldly label all surfaces and items that were found to contain PCBs so they are handled appropriately during renovation or demolition.



### STEP 3. Notify the DNR of demolition or renovation activities prior to starting any demolition or renovation work.

Notification to the DNR is required for all demolition projects meeting any of these categories:

- Two or more contiguous single-family homes
- Homes that are part of a larger demolition project
- Multi-family housing with five or more units
- Industrial, manufacturing or commercial buildings including bridges, farm buildings, and churches
- Any structure being prepped for a fire training exercise

DNR notification is also required for renovation projects meeting any of these criteria, if asbestos removal is involved.

#### For demolition projects

All demolition projects meeting the previously listed criteria require DNR notification 10 working days before the project work begins.

#### For renovation projects involving asbestos

All renovation projects meeting the previously listed criteria that involve asbestos require DNR notification 10 working days before the project begins.

**Note:** While plans to demolish or renovate a single-family home do NOT require DNR notification, it is recommended you take the precautionary steps outlined in this publication.

## ► HANDLING AND DISPOSAL CHOICES

You have a few options for handling and disposing of lead, mercury, PCBs and other wastes from your project site that qualify as hazardous waste. Identifying these options prior to beginning the project can help you schedule transportation and disposal and maintain the overall project schedule.

- **Hire a waste management contractor** to pick up and dispose of hazardous wastes. This takes the guess work out of handling these types of wastes. Contractors have properly trained personnel that will determine appropriate packaging, shipping and vehicle licensing and have established relationships with disposal facilities.

Other choices provide you with reduced regulation and may change depending on the amount of hazardous waste generated in a month. As a contractor, you may manage hazardous wastes you generate at temporary job sites only according to the following options. For more details on these options, see the DNR publication "Pilot Project for Management of Contractor Generated Hazardous Waste" (WA-654) at <http://dnr.wi.gov/files/pdf/pubs/wa/wa654.pdf>.

- **Hire a licensed hazardous waste transporter** to transport the hazardous waste to a licensed or permitted hazardous waste treatment, storage and disposal facility. In this case, you must follow the applicable generator requirements in chapters NR 660-679 of Wisconsin Administrative Code.
- **Leave containerized hazardous waste for the site owner to properly manage.** In this case, the site owner must follow the applicable generator requirements in chapters NR 660-679 of Wisconsin Administrative Code. If you choose this option, be sure to include this in your contract with the site owner.
- **Transport the containerized hazardous waste yourself** directly from the temporary job site to a Household and Very Small Quantity Generator (VSQG) Hazardous Waste Collection Facility. This includes county or municipal Clean Sweep locations. If the total quantity of hazardous waste generated by your company in one month is less than 220 lbs. (about half of a 55-gallon drum), you would be a VSQG and your hazardous waste may be taken to a Clean Sweep location for handling and disposal. Contact your local Clean Sweep coordinator for information on possible fees, accepted materials, and other details.
- **Transport the containerized hazardous waste yourself to your central business location.** This option is currently available under a pilot project. Waste handled in this manner is subject to the pilot project conditions. See the publication referenced above for more information.

## STEP 4. Hire specialized consultants, contractors or transporters to remove and properly manage harmful materials prior to starting your project.

Hiring the right consultant, contractor or transporter is important to ensure safe handling practices and disposal options. This section will help you determine who to hire. Links to lists of licensed consultants, contractors and transporters are on the last page under Resources.

### ► Asbestos

**Handling practices:** Asbestos professionals trained and certified by DHS are required to perform asbestos removal in most multi-unit residential and all commercial, industrial, manufacturing and government buildings. Most types of asbestos-containing materials must be removed from the building prior to demolition or renovation.

**Disposal:** The asbestos removal contractor is responsible for disposing of the asbestos materials at a licensed landfill approved to accept asbestos waste. Not all landfills accept asbestos materials, so contractors should call the landfill to find out what materials are accepted and the hours of operation.

In some situations, non-friable asbestos materials (materials that are resistant to crushing), such as floor tile and roofing, may remain in place during the demolition activities. When this is done, the debris must be taken to a municipal or construction and demolition landfill. Debris containing non-friable asbestos materials may not be taken to a construction and demolition recycling facility.

### ► CFCs (chlorofluorocarbons) and halons

**Handling practices:** Keep units that contain refrigerants in place for a certified transporter to remove them. Moving them may cause an accidental release of refrigerants. Certified transporters include waste haulers, community recycling programs, and appliance salvage businesses. State law requires that anyone transporting salvaged refrigeration units must certify to the DNR that they will transport items in a way that prevents refrigerant releases. Technicians who remove refrigerants from units must be registered with the DNR and use approved equipment.

Check both portable and installed fire suppression systems for labels indicating halons. Trained technicians are also needed to remove halons. Contact local fire suppression equipment companies or the Halon Recovery Corporation for more information. Do not discharge halon fire extinguishers; intentionally releasing these substances is prohibited under federal regulations.

**Disposal:** Once the refrigerants are recovered, the unit may be taken to a metal scrap recycling facility. If you send halon-containing equipment offsite for disposal, it must be sent to a manufacturer, fire equipment dealer or recycler operating in accordance with National Fire Protection Association standards.

### ► Lead

**Handling practices:** DHS-certified lead-safe contractors are required for any renovations, repairs, painting or other paint-disturbing services on or in the regulated buildings that contain lead paint. These contractors must use lead-safe practices at these properties.

State law prohibits the sale or transfer of any fixture or other object that contains lead-bearing paint if children would have ready access to the fixture or object in its new location.

**Disposal:** Dispose of in a landfill any painted wood or building components that contain lead paint. Do not burn or chip wood that contains lead paint or use it for landscaping.

Lead paint waste, such as lead paint chips or lead paint removed from commercial or industrial buildings, must be tested to determine if it is a hazardous waste for disposal purposes.

See *Handling and Disposal Choices on page 7 for handling and disposal options.*

### ► Mercury

**Handling practices:** You may collect intact mercury-containing devices and bring them back to your primary business location or bring them directly to an off-site mercury recovery facility. Do not remove mercury ampoules or free liquids from the device. Store devices in a covered plastic container to prevent them from breaking. Label the container to assist proper handling and disposal.

If any mercury is spilled or released during handling, report the spill immediately by calling the DNR 24-hour Spills Hotline: (800) 934-0003. Mercury spreads quickly, and even a small spill can cause big cleanup costs in a short period of time.

**Disposal:** Trained professionals and specific equipment are needed for safe removal of mercury from ampoules and devices. Mercury must be transported by a licensed hazardous waste transporter to a mercury facility to be recycled or reclaimed.

See *Handling and Disposal Choices* on page 7 for handling and disposal options.

► **PCBs (polychlorinated biphenyls)**

**Handling practices:** The EPA recommends that caulk containing PCBs be removed during planned renovations and repairs (when replacing windows, doors, roofs, ventilation, etc.). It is important to ensure that PCBs are not released into the air during renovation or repair of affected buildings.

Oils with PCB content greater than 50 ppm are prohibited from being mixed with other materials to reduce the PCB content.

**Disposal:** PCBs must be transported either by your company, a licensed hazardous waste transporter or a full-service contractor. PCBs and PCB-containing wastes must be taken to a licensed disposal facility or directly to a licensed incineration facility. Arrangements for accepting PCBs must be made with these facilities ahead of time.

See *Handling and Disposal Choices* on page 7 for handling and disposal options.

► **DEMOLITION AND RENOVATION WASTE**

Disposal options for demolition and renovation wastes depend on the type of waste and, in some cases, the amount generated. Solid wastes such as trash, painted wood, and fiberglass insulation can be disposed of at solid waste transfer stations and landfills, including construction and demolition landfills.

If demolition wastes are going to a construction and demolition landfill, all non-building components, such as books, furniture and trash must be removed before you begin demolition (note that most of these non-building components can be reused or recycled). Non-building components may stay in the building if the demolition waste is going to a municipal solid waste landfill. Check with local landfills prior to demolition to determine how to manage your wastes.

Demolition debris may be taken to a construction and demolition recycling facility if all asbestos materials and other harmful materials have been removed prior to demolition or renovation.

To find a list of these facilities licensed in Wisconsin, go to [dnr.wi.gov](http://dnr.wi.gov) and search "licensed waste haulers and facilities."

---

**STEP 5. Request and file all receipts for the disposal of harmful and non-harmful materials related to the project to avoid potential enforcement action.**

---

As materials are removed from the project site, ask your contractors for disposal receipts to document the disposal or recycling of your wastes. This is an important step in protecting your company. If materials are illegally dumped, the DNR will investigate to determine where the materials came from. Part of the investigation process would be to identify projects in the area that may have been the source of the illegally dumped materials. Receipts show that your project wastes were disposed of appropriately and protect you from liability issues and fines and/or forfeitures.

Once the harmful materials have been removed from the project site and the notification to DNR is submitted with the appropriate dates of demolition, demolition may begin. This includes first removing materials for reuse or recycling. If all harmful materials, including all types of asbestos, have been removed from the building or structure before demolition, the resulting debris may be taken to a construction and demolition recycling facility.



**Asbestos**

- DNR asbestos program requirements: [dnr.wi.gov](http://dnr.wi.gov), search "asbestos"
- DHS Wisconsin Asbestos Program: [www.dhs.wi.gov/asbestos/](http://www.dhs.wi.gov/asbestos/)
- DHS-certified asbestos companies: at the link above, look for "certified company" in the left-hand margin

**Brownfields**

- DNR brownfields redevelopment: [dnr.wi.gov](http://dnr.wi.gov), search "brownfield"

**CFCs and halons**

- DNR refrigerant recovery program: [dnr.wi.gov](http://dnr.wi.gov), search "refrigerants"

**Demolition debris, waste, transporters, landfills and other licensed facilities**

- DNR demolition, construction & renovation information: [dnr.wi.gov](http://dnr.wi.gov), search "demolition"
- DNR waste and materials management: [dnr.wi.gov](http://dnr.wi.gov), search "waste"
- DNR list of licensed haulers and facilities: [dnr.wi.gov](http://dnr.wi.gov), search "licensed waste haulers and facilities"
- Contact the DNR: 608-266-2111 or [DNRWasteMaterials@wisconsin.gov](mailto:DNRWasteMaterials@wisconsin.gov)

**Hazardous and universal wastes**

- DNR hazardous waste information: [dnr.wi.gov](http://dnr.wi.gov), search "hazardous waste"
- "Is Your Waste Hazardous?" (DNR publication WA-1152): <http://dnr.wi.gov/files/pdf/pubs/wa/wa1152.pdf>
- Handling and disposal of hazardous wastes – "Pilot Project for Management of Contractor Generated Hazardous Waste" (DNR publication WA-654): <http://dnr.wi.gov/files/pdf/pubs/wa/wa654.pdf>.
- Wisconsin Administrative Code chapter NR 673 – Universal Waste Management Standards: [http://docs.legis.wisconsin.gov/code/admin\\_code/nr/600/673/](http://docs.legis.wisconsin.gov/code/admin_code/nr/600/673/)

**Lead**

- DHS Lead-Safe Wisconsin: [www.dhs.wi.gov/lead/](http://www.dhs.wi.gov/lead/)
- DHS-certified lead companies: at the link above, look for "certified company" in the left-hand margin
- DNR Application for Low Hazard Waste Exemption for Reuse of Concrete Coated with Lead-Bearing Paint – Form 4400-274 (R 2/12) <http://dnr.wi.gov/files/pdf/forms/4400/4400-274.pdf>

**Mercury**

- EPA information on mercury: [www.epa.gov/hg/consumer.htm](http://www.epa.gov/hg/consumer.htm)

**PCBs**

- EPA information on PCBs: [www.epa.gov/wastes/hazard/tsd/pcbs/](http://www.epa.gov/wastes/hazard/tsd/pcbs/)
- Wisconsin Administrative Code chapter NR 157 – Management of PCBs and Products containing PCBs: [docs.legis.wisconsin.gov/code/admin\\_code/nr/100/157/](http://docs.legis.wisconsin.gov/code/admin_code/nr/100/157/)

**Reuse & recycling**

- DNR recycling program: [dnr.wi.gov](http://dnr.wi.gov), search "recycling"
- WasteCapDIRECT – a centralized, online directory of construction and demolition recycling processors, haulers and end markets: [www.wastecap.org](http://www.wastecap.org)
- Wisconsin Recycling Markets Directory: [www.wisconsinrecyclingdirectory.com](http://www.wisconsinrecyclingdirectory.com)

**Storage tanks**

- Department of Safety and Professional Services storage tank database: <http://dsps.wi.gov/online-services/storage-tanks>

**Wisconsin Administrative Code**

- Wisconsin Legislative Documents: <http://docs.legis.wisconsin.gov>

**WISCONSIN DNR**



**Wisconsin Department of Natural Resources Waste & Materials Management Program**

PO Box 7921  
Madison, WI 53707

(608) 266-2111  
[DNRWasteMaterials@wisconsin.gov](mailto:DNRWasteMaterials@wisconsin.gov)

Publication WA-651  
Revised July 2014

*The Wisconsin Department of Natural Resources provides equal opportunity in its employment, programs, services, and functions under an Affirmative Action Plan. If you have any questions, please write to Equal Opportunity Office, Department of Interior, Washington, D.C. 20240.*

*This publication is available in alternative format (large print, Braille, audio tape, etc.) upon request. Please call (608) 266-2111 for more information.*









































































**BAKER**  
**DODGE - JEEP - G.M.C.**  
**WHITEWATER, WIS**













SALES SERVICE MARK

FIRST CITIZENS  
FIRST BANK





















































# CDA Agenda Item

Meeting Date:	November 21, 2024
Agenda Item:	Request for Proposal – 216 E. Main Demolition
Staff Contact (name, email, phone):	Taylor Zeinert <a href="mailto:tzeinert@whitewater-wi.gov">tzeinert@whitewater-wi.gov</a> 262-473-0148

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

The CDA purchased the property at 216 E. Main Street on March 5, 2024 with the intent to demolish the existing structure and issue a Request for Proposal for Development on the remaining vacant lot.

North Star Environmental inspected the property for determination of the presence of any lead or asbestos on October 8, 2024.

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

Attached for your consideration is a draft of a Request for Proposal (RFP) for the demolition of the existing structure located at 216 East Main Street.

**FINANCIAL IMPACT**  
(If none, state N/A)

**STAFF RECOMMENDATION**

Staff recommends the following motion:

- Move to approve the RFP for demolition of 216 East Main Street.

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

- Draft of Request for Proposal for Demolition of 216 East Main Street with Exhibits.



## Request for Proposals (RFP) Demolition of 216 East Main Street City of Whitewater, Walworth County, Wisconsin

The Community Development Authority of the City of Whitewater (CDA) was established with a mission to promote development (industrial and downtown redevelopment) projects. The CDA is soliciting proposals for the demolition of 216 East Main Street in the City of Whitewater, Walworth County, Wisconsin (the "Project"). The Project and the selected proposal will meet the goal of redevelopment while encouraging a high quality of life, places of employment, and an increase in the general property tax base of the City.

### PROJECT OVERVIEW:

Site Location: 216 East Main Street (See Exhibit A - Site Map) Property  
Type: Mixed Use (1st Floor Commercial; 2nd Floor Residential)  
Parcel: Tax Parcel No. /TRA 00003  
Existing Structures: One Structure

### SCOPE OF WORK:

The selected contractor will be responsible for the following tasks:

- 1. Permits and Approvals**
  - Obtain all necessary permits and approvals from the City of Whitewater for demolition. Permit fees shall be paid by the CDA.
- 2. Site Preparation:**
  - Erect safety barriers and signage around the site.
  - Ensure compliance with all safety and environmental regulations.
- 3. Demolition:**
  - Coordinate with gas, electric, phone, cable, water, etc. for disconnections.
  - Demolish and remove all structures, foundations, surface material and debris from the site. Contractor responsible for disposal and costs.
  - Perform all work in accordance with industry standards and local regulations.
- 4. Site Clearing:**
  - Remove any remaining debris and grade the site to specified conditions. Ensure proper disposal of all materials, including hazardous waste if applicable. (See Exhibit B – NorthStar Environmental Testing, LLC Pre-Demolition Inspection: Asbestos And Lead Report dated October 17, 2024).



#### 5. Site Restoration:

- Restore the site to match grade and in a clean condition suitable for future development.
- Completion Date: May 31, 2025.

#### PROPOSAL REQUIREMENTS:

Interested contractors should submit a proposal that includes the following:

##### 1. Company Information:

- Name and contact details of the company.
- Overview of the company, including experience and qualifications.
- References from similar projects completed within the last three years.

##### 2. Project Approach:

- Detailed description of the proposed approach to the demolition
- Timeline for completing the project
- Safety measures and procedures

##### 3. Cost Proposal:

- Detailed cost breakdown, including labor, materials, equipment, and other expenses
- Payment terms and conditions

##### 4. Compliance:

- Proof of insurance and bonding
- Compliance with all local, state, and federal regulations

#### SUBMISSION INSTRUCTIONS:

- **Deadline for Submission:** January 6, 2025
- **Submission Method:** Proposals must be submitted electronically or in hard copy to:

**City of Whitewater**

Attention: Taylor Zeinert, Economic Development Director

312 West Whitewater Street

Whitewater, WI 53190

[tzeinert@whitewater-wi.gov](mailto:tzeinert@whitewater-wi.gov)

**CONTACT FOR QUESTIONS:** For any questions or further information, please contact Taylor Zeinert, Economic Development Director, at: [tzeinert@whitewater-wi.gov](mailto:tzeinert@whitewater-wi.gov) (262) 473-0148.



# Exhibit A - Site Map

Item 6.

## 216 E Main St

**Site & Utility Information**

- Site Area
- Water Utilities
  - Curb Stop
  - Hydrant
  - Aux Valve
  - Main
- Wastewater Utilities
  - Manhole
  - Gravity Main
  - Lateral

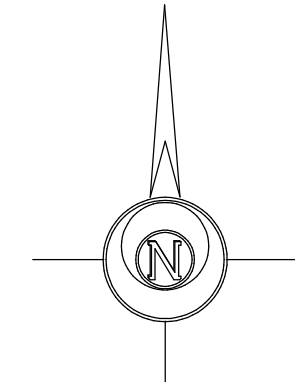
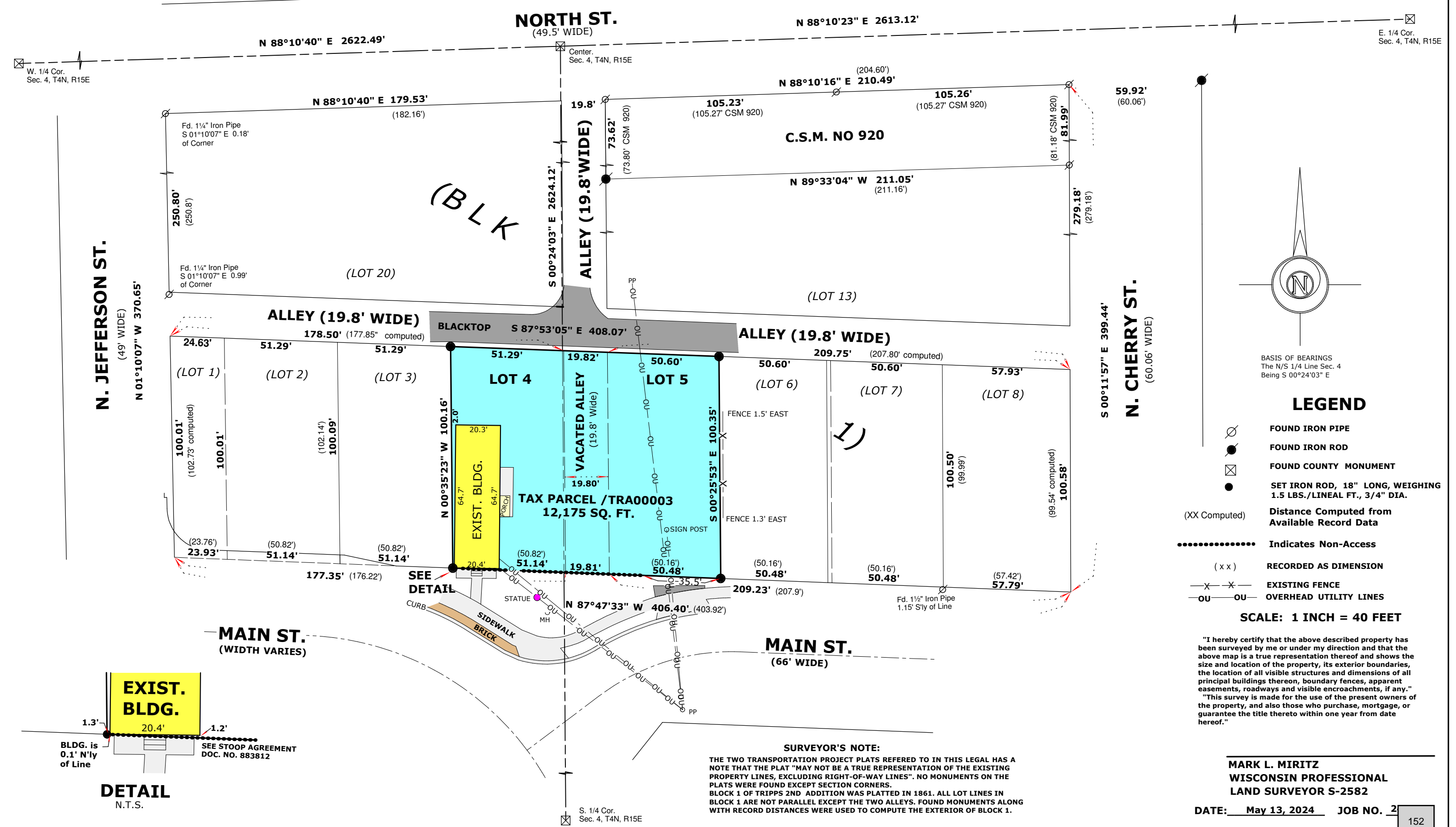


E Main St

151



PLAT OF SURVEY



BASIS OF BEARINGS  
 The N/S 1/4 Line Sec. 4  
 Being S 00°24'03" E

**LEGEND**

- FOUND IRON PIPE
- FOUND IRON ROD
- FOUND COUNTY MONUMENT
- SET IRON ROD, 18" LONG, WEIGHING 1.5 LBS./LINEAL FT., 3/4" DIA.
- Distance Computed from Available Record Data
- Indicates Non-Access
- RECORDED AS DIMENSION
- EXISTING FENCE
- OVERHEAD UTILITY LINES

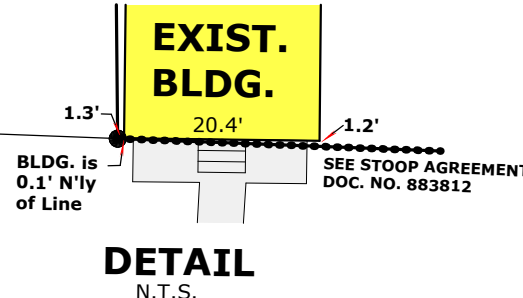
SCALE: 1 INCH = 40 FEET

"I hereby certify that the above described property has been surveyed by me or under my direction and that the above map is a true representation thereof and shows the size and location of the property, its exterior boundaries, the location of all visible structures and dimensions of all principal buildings thereon, boundary fences, apparent easements, roadways and visible encroachments, if any."  
 "This survey is made for the use of the present owners of the property, and also those who purchase, mortgage, or guarantee the title thereto within one year from date hereof."

**MARK L. MIRITZ**  
 WISCONSIN PROFESSIONAL  
 LAND SURVEYOR S-2582

DATE: May 13, 2024 JOB NO. 2

**SURVEYOR'S NOTE:**  
 THE TWO TRANSPORTATION PROJECT PLATS REFERED TO IN THIS LEGAL HAS A NOTE THAT THE PLAT "MAY NOT BE A TRUE REPRESENTATION OF THE EXISTING PROPERTY LINES, EXCLUDING RIGHT-OF-WAY LINES". NO MONUMENTS ON THE PLATS WERE FOUND EXCEPT SECTION CORNERS. BLOCK 1 OF TRIPPS 2ND ADDITION WAS PLATTED IN 1861. ALL LOT LINES IN BLOCK 1 ARE NOT PARALLEL EXCEPT THE TWO ALLEYS. FOUND MONUMENTS ALONG WITH RECORD DISTANCES WERE USED TO COMPUTE THE EXTERIOR OF BLOCK 1.





**PRE-DEMOLITION INSPECTION:  
ASBESTOS &  
LEAD-BASED PAINT**

**City of Whitewater**

**Site:**

216 E Main Street  
Whitewater, WI 53190

**Building:**

Commercial (former shop / apartment)

Inspection Date: October 8, 2024

Report Date: October 17, 2024

NorthStar No. 240-1252

**Central Wisconsin**

715.693.6112

**Fox Cities**

920.422.4888

**Madison**

608.827.6761

**Sheboygan**

920.422.4888



**Asbestos • Lead Paint • Mold • Indoor Air Quality • Industrial Hygiene**

October 17, 2024

City of Whitewater  
 c/o Bonnie Miller  
 312 West Whitewater Street  
 Whitewater, WI 53190

Project:	Pre-Demolition Inspection: Asbestos and Lead Paint
Site:	216 East Main Street Whitewater, WI 53190
Building:	Commercial (former shop / apartment)
Site Date:	October 8, 2024
NorthStar No.	240-1252

NorthStar Environmental Testing, LLC (NorthStar) was contracted by Bonnie Miller on behalf of the City of Whitewater to complete an inspection for the presence of asbestos containing materials (ACM) and lead-based paint (LBP) prior to the demolition of the commercial building located in Whitewater, Wisconsin. The inspection was conducted by James Gower of NorthStar on October 8, 2024.

**Asbestos containing materials were identified which will require abatement prior to demolition. Electrical panels are assumed to contain asbestos and require proper disposal. No lead-based paint was found for surfaces tested. Please review the report in its entirety for more specific information.**

Prepared by:  
 NorthStar Environmental Testing, LLC.  
 1320 Mendota Street, Suite 120  
 Madison, WI 53714

Provided to:  
 City of Whitewater  
 c/o Bonnie Miller  
 312 West Whitewater Street  
 Whitewater, WI 53190

NorthStar Environmental Testing, LLC.



Dave Barrett  
 Operations Manager  
 AII-01397 / LRA-01397



James Gower  
 Project Superintendent  
 AII-268367 / LRA-268367



*Asbestos • Lead Paint • Mold • Indoor Air Quality • Industrial Hygiene*

## **TABLE OF CONTENTS**

---

**INSPECTION SUMMARY**

**ASBESTOS SAMPLING SUMMARY**

**ASBESTOS CONTAINING MATERIAL SUMMARY**

**LEAD-BASED PAINT TESTING SUMMARY**

**LEAD-BASED PAINT TEST RESULTS**

**SURVEY LIMITATIONS**

**ANALYTICAL DISCUSSION**

**ASBESTOS RECOMMENDATIONS**

**LEAD-BASED PAINT RECOMMENDATIONS**

**REMARKS**

### **APPENDICES**

**A) Asbestos Sample Log**

**B) Lead-Based Paint Testing Data**

**C) Site Diagram**

**D) Photo Log**

**E) NorthStar Certifications**

**F) WDNR Guidance**



**Asbestos • Lead Paint • Mold • Indoor Air Quality • Industrial Hygiene**

October 17, 2024

City of Whitewater  
312 West Whitewater Street  
Whitewater, WI 53190

Project:	Pre-Demolition Inspection: Asbestos and Lead-Based Paint
Site Address:	216 East Main Street Whitewater, WI 53190
Survey Date:	October 8, 2024
NorthStar No.	240-1252

NorthStar Environmental Testing, LLC (NorthStar) was authorized by Bonnie Miller on behalf of the City of Whitewater to conduct a pre-demolition survey for the presence of accessible suspect asbestos containing materials (ACM) and lead-based paint (LBP) for the following site:

**INSPECTION SUMMARY:**

Site Address:	216 E Main Street Whitewater, WI 531906		
County:	Walworth		
Structure Type:	Commercial (former shop / apartment)		
Building Age:	1880		
Size:	1,300 sf		
Floors	2 (plus basement)		
# of Structures:	1		
Inspector:	James Gower	Certification:	All-268367
Company Cert:	NorthStar Environmental Testing, LLC	Certification:	DHS-925800
Survey Date:	October 8, 2024		
Comments:	Primary building materials: concrete block / field stone foundation, wood framed walls, asphalt shingle / metal roofing and transite siding. The building was vacant at the time of inspection.		

**ASBESTOS SAMPLING SUMMARY:**

Number of Samples:	51		
Number Analyzed:	52 (layers)	Point Count:	0
Asbestos Materials:	9" Vinyl Floor Tile	Vinyl Sheet Flooring (3 Types) and Adhesive	
	Transite Shingle Siding	Window Glazing	
Assumed ACM:	Electrical Panel		
Laboratory:	Eurofins CEI, Inc. NVLAP: 101768-0		
Analysis Date:	October 15, 2024 (Reported)	Point Count:	n/a

The attached Asbestos Sample Material Log details additional sample analysis data.



**ASBESTOS CONTAINING MATERIAL SUMMARY:**

Item 6.

**ACM** that will require abatement prior to disturbance by demolition:

Material	Bldg Level	Building Area	Quantity (approx)	Category/Comment
<sup>1</sup> Vinyl Sheet Flooring & Adhesive (white)	2	Kitchen Bath	180 sf <u>40 sf</u> 220 sf	Cat I & Friable Good Condition On Wood
Window Glazing	Ext	South, East & West (small windows)	9 sf (9 each)	Cat II Non-Friable Poor Condition On Wood
<sup>2</sup> Electrical Panel Interior	1	Storage	1 sf (1 each)	Cat II Non-Friable Assumed ACM
Transite Siding	Exterior	Exterior All Sides	2,500 sf	Cat II Non-Friable Good Condition On Wood

<sup>1</sup> The kitchen consists of two layers of asbestos containing vinyl sheet flooring. The bottom layer of vinyl sheet flooring adhesive does not contain asbestos.

<sup>2</sup> Electrical panels, boxes or components were not sampled due to potential electrical hazard. These components should be assumed ACM unless sampled to prove otherwise.

**Non-Friable ACM** that \*may remain in place for mechanical demolition unless the attached materials (concrete, wood, metal, etc.) will be recycled, reused or crushed:

Material	Bldg Level	Building Area	Quantity (approx)	Category/Comment
9" Floor Tile	2	2 <sup>nd</sup> Floor Bedroom	270 sf	Cat I Non-Friable Good Condition On Wood

**\*Any ACM allowed to remain in place during demolition must remain non-friable throughout the demolition process and would require proper landfill disposal. Abatement is recommended for any non-friable ACM that may become friable due to the demolition process. The Wisconsin Department of Natural Resources (WDNR) can be consulted with any specific questions regarding these issues.**

Material quantities are listed according to visible estimates at the time of the survey. It is recommended that all quantities be further verified by the building owner and/or an abatement contractor prior to project design, bidding, budgeting and/or WDNR notification purposes.

**The following areas were inaccessible or excluded** at the time of inspection and may contain additional quantities of suspect asbestos containing materials:

Inaccessible/Excluded Areas
Any additional suspect materials, if encountered, which differ from those tested should be assumed to contain asbestos and sampled if/when necessary.



**LEAD-BASED PAINT (LBP) TESTING SUMMARY:**

Item 6.

Testing Date:	October 8, 2024		
Contact:	Bonnie Miller (City of Whitewater) Phone: 920.817.4026		
Work Area:	Pre-Demolition		
<b>Materials Tested Pre-Demolition:</b>	Testing was limited to representative accessible cementitious surfaces (concrete, concrete block, brick, etc.) likely to be impacted by the planned demolition. Other areas or surfaces should be assumed to contain lead unless additional testing proves otherwise.		
<b>LBP for Demolition Items:</b>	<b>No LBP was identified for surfaces tested.</b>		
Comment:	For demolition and disposal, the State of Wisconsin defines lead-based paint as that which is equal to or greater than 1.0 mg/cm <sup>2</sup> by XRF.		
Inspector:	James Gower	Certification #:	LRA-268367
Lead Company:	DHS-925800	Expiration Date:	08/01/2025
Testing Equipment:	Viken PB 200e, Serial Number: 1122		

**LEAD-BASED PAINT TEST RESULTS: (Positive Results Only)**

Testing for lead-based paint analyzes all layers of paint on a particular surface area simultaneously. The testing does not specifically identify which layer or color of paint contains lead. A positive testing location indicates that some layer of paint on that surface contains lead in paint equal to or in excess of 1.0 mg/cm<sup>2</sup>.

Reading No	Wall	Structure	Location	Member	Paint Condition	Substrate	Color	Lead (mg/cm <sup>2</sup> )
<i>No LBP was detected at or above 1.0 mg/cm<sup>2</sup> for the surfaces tested.</i>								

**Notes:**

- All similar materials with the same paint history are to be categorized in the same manner. For example, if a window sill on side A is positive for LBP, then all similar window sills are assumed to contain lead-based paint unless specifically tested and proven otherwise.
- Additional areas of LBP are possible in inaccessible areas, areas hidden from view or materials/substrates contained behind or within other building materials.

**Please see attached "Lead-Based Paint XRF Testing Data" & site diagram for specific areas tested.**



## **SURVEY LIMITATIONS:**

Sample results, quantities and recommendations are for areas of the building that were accessible to us during the investigation. Additional assumed ACM or LBP that may have been located in spaces not accessible during our investigation, hidden from view, or not sampled at the client's request may require additional sampling prior to disturbance by renovation or demolition activity (see notes if applicable).

Areas that were inaccessible and not tested or inventoried during the investigation may have included: certain wall or ceiling cavities; electrical components/wiring; gasket material; fire door interiors; boiler, tank, and vessel interiors; equipment components and interiors; chimneys/flues/stacks; spaces requiring confined space entry procedures; structurally unsafe areas; isolated or inaccessible building areas; underground or buried components; and mechanical spaces or equipment that would require extensive demolition or dismantling to provide adequate access for material identification or sampling.

Roofing materials including built-up and membrane roofs, and associated flashings and coatings may have been assumed to be ACM (see applicable inspection notes).

Building materials or substrates that were exempt from sampling may have included metal, glass, wood, or fiberglass (exempt by WI DHS 159.04 (50)). Additional materials not accessible or not sampled during the survey may have included items such as miscellaneous caulks, sealants and construction adhesives that were not readily accessible to sample (may be located between layers of building components); concrete, concrete block, brick, stone, foam insulation, and carpet. These materials are typically non-friable in nature but may require further sampling to confirm or deny the presence of asbestos.

**Additional suspect materials encountered during renovation or demolition activity that differs from materials sampled or described during this survey must be assumed to contain asbestos and be managed as ACM, abated or sampled to determine asbestos content prior to disturbance.**

Material quantities are listed according to visible estimates at the time of the survey. It is recommended that all quantities be further verified by the building owner or abatement contractor prior to project design, bidding, budgeting and/or WDNR notification purposes. Material quantification was not performed for any sampled material found to be asbestos free or containing 1% or less asbestos.

## **ANALYTICAL DISCUSSION:**

Bulk sample analysis for asbestos was performed by polarized light microscopy (PLM); method Bulk EPA 600. Samples showing a result of "None Detected" were found to contain no asbestos in any analyzed portion of the sample.

EPA defines an ACM as a material that contains asbestos unless the asbestos concentration is found to be 1% or less asbestos by PLM. Materials confirmed by a point count result of 1% or less asbestos may be treated as a non-ACM. The building owner or client should be aware that exposure to asbestos is still possible when disturbing materials with 1% or less asbestos (trace amount) present and that OSHA worker protection procedures may be necessary.



## **REGULATORY RECOMMENDATIONS: (ASBESTOS)**

Item 6.

Wisconsin Department of Health Services (WI DHS); Wisconsin Department of Natural Resources (WDNR); Environmental Protection Agency (EPA); Occupational Safety & Health Administration (OSHA)

All friable ACM as well as non-friable ACM that would likely be made friable by intended demolition processes are required to be abated prior to disturbance.

Non-friable ACM (confirmed or assumed) remaining during demolition must be disposed of properly as demolition debris at an approved landfill (landfill requirements vary). Non-friable ACM typically require abatement prior to any material recycling procedure. For any building that will be subject to burning, all confirmed and assumed ACM must be removed. Materials containing any amount of asbestos including materials with 1% or less (trace amount), may still result in an exposure regulated by OSHA. Protective equipment or a negative exposure assessment for personal exposure may be required.

Abatement shall be performed by an abatement company utilizing trained and certified worker/supervisor and further licensed as an asbestos company by WI DHS, Asbestos Regulation 159.

Refer to WDNR 447 and WI DHS 159 for complete information on requirements for asbestos abatement and asbestos material disposal. Questions regarding asbestos abatement issues can be directed to the WDNR Asbestos Program Coordinator at (608) 266-7718. ***Important*** additional information on the proper management of asbestos, recycling concrete, the demolition process, and other materials that must be managed prior to demolition (light bulbs & ballasts, mercury & freon containing devices, etc.) can be found at:

- WI DHS <http://dhs.wisconsin.gov/asbestos/>
- WDNR <http://dnr.wi.gov/topic/Demo/Asbestos.html>
- WDNR <https://apps.dnr.wi.gov/doclink/waext/wa651.pdf>
- OSHA <https://www.osha.gov/laws-regs/regulations/standardnumber/1926/1926.1101>

## **REGULATORY RECOMMENDATIONS: (LEAD-BASED PAINT)**

Wisconsin Department of Health Services (WI DHS); Wisconsin Department of Natural Resources (WDNR) Environmental Protection Agency (EPA); Occupational Safety & Health Administration (OSHA); Housing and Urban Development (HUD)

The EPA and HUD defines LBP as equal to or greater than 1.0 mg/cm<sup>2</sup> measured by X-ray fluorescence (XRF) analysis, or 0.5% (5000 ppm) measured by weight through laboratory analysis. The State of Wisconsin has adopted the same definition of lead-based paint (primarily for residential HUD applications and for building demolition/disposal).

For worker exposure applications, lead in any quantifiable amount, and disturbance of the material creating dust and/or fumes and subsequent potential worker exposure would be regulated by the OSHA Lead in Construction Standard (29 CFR 1926.62).

Building materials coated with LBP that would likely be impacted or disturbed by intended renovation processes require special handling prior to or during disturbance (controlled work area, wet methods, hepa assisted tools or vacuums, avoiding prohibited methods – see OSHA or WI DHS regulations). If LBP is removed from the underlying substrate resulting in accumulated lead waste, additional work practices, disposal methods or testing of the waste by TCLP method may be required.

Our non-destructive testing by XRF has been performed in an attempt to screen for areas with quantifiable lead above regulatory limits on painted substrates. The reportable limit of detection is essentially 1.0 mg/cm<sup>2</sup> by XRF analysis and therefore paint chip analysis would be recommended for a more accurate determination of lead in paint below this level or to rule out lead in any quantifiable amount.



**REGULATORY RECOMMENDATIONS: (LEAD-BASED PAINT) continued:**

Item 6.

The testing performed was limited in scope and does not constitute a full lead paint inspection. Testing for lead in paint was conducted to assist with planning in regard to lead-safe construction practices and/or disposal or recycling activities. A surface-by-surface visual assessment of painted components was conducted at the property to determine which surfaces to test. Renovation activity beyond the anticipated work scope specified at the time of our site visit may require additional testing prior to disturbance.

Inaccessible areas hidden from view or contained within or behind other building materials may contain additional areas of suspect LBP. Any additional surfaces not specifically identified should be assumed to contain LBP unless tested and proven otherwise.

The calibration of the XRF analyzer was verified before and after testing by taking three readings from a source known to contain 1.02 mg/cm<sup>2</sup> lead (NIST Standard Reference Material). The three positive calibration readings were followed by a sample on bare wood containing no LBP.

Concrete, brick, or stone coated with LBP require disposal in a WDNR approved landfill and may require additional Toxicity Characteristic Leaching Procedure (TCLP) testing to further evaluate the waste. Concrete, brick, or stone that is not coated with LBP may be considered clean for recycling purposes **if other requirements are met**. Please refer to the WDNR Publication WA 605, Concrete Recycling and Disposal Fact Sheet. This publication contains **important** information on the recycling process along with who to contact at the WDNR for additional clarification, information, and approval; and can be found at:

- <https://apps.dnr.wi.gov/doclink/waext/WA605.pdf>

Reuse of clean concrete is exempt under s. NR 500.08(2)(a), Wis. Adm. Code. Certain environmental performance, location and operational requirements apply. Please review these requirements [s. NR 504.04(3)(c) and s.NR 504.04(4)] before placing used concrete on the land. For more information about this disposal exemption, refer to a separate frequently asked question, *What is defined as "clean fill" that does not have to be taken to a landfill?*, on the DNR website at:

- <http://dnr.wi.gov/topic/Waste/SolidFAQ.html>

**REMARKS:**

The survey and subsequent report have been performed according to applicable regulations and generally accepted industry standards and practices in this locality under similar conditions. Information provided to us by the building owner/occupant, client or other interested party that may have been utilized in the performance and reporting of the survey was accepted in good faith and can only be assumed to be accurate. The findings and recommendations made are representative of our professional opinion based on currently available information; no other warranty is implied or intended.

Please contact us if you have any questions regarding the presented information or the project in general.

Sincerely,  
NorthStar Environmental Testing, LLC.



Dave Barrett  
Operations Manager



James Gower  
Project Superintendent



# City of Whitewater

**216 E Main Street  
Whitewater, WI 53190**

**October 8, 2024**



**ASBESTOS MATERIAL SAMPLE LOG**

<b>Client:</b>	City of Whitewater	<b>NorthStar No.</b>	240-1252
<b>Location:</b>	216 E Main Street Whitewater, WI 53190	<b>Date Collected:</b>	October 8, 2024
<b>Work Area:</b>	Pre-Demolition	<b>Inspector:</b>	James Gower
<b>Laboratory:</b>	Eurofins CEI, Inc.	<b>Date Analyzed:</b>	October 15, 2024 (Reported)

Sample ID	Bldg. Level	Material Location	Material Sample	Description	Asbestos Content
1252-1	2	2 <sup>nd</sup> Floor: Livingroom - Wall	Plaster Skim Coat	White	None Detected
1252-2	2	2 <sup>nd</sup> Floor: Livingroom - Wall	Plaster Base Coat	Grey	None Detected
1252-3	2	2 <sup>nd</sup> Floor: Livingroom – Ceiling	1'x 1' Ceiling Tile	Tan	None Detected
1252-4	2	2 <sup>nd</sup> Floor: Day Room – Ceiling	Plaster Skim Coat	White	None Detected
1252-5	2	2 <sup>nd</sup> Floor: Day Room – Ceiling	Plaster Base Coat	Grey	None Detected
1252-6	2	2 <sup>nd</sup> Floor: Bedroom – Floor	9" Vinyl Floor Tile, on Wood	Green	<b>5% Chrysotile</b>
1252-7	2	2 <sup>nd</sup> Floor: Bedroom – Floor	Adhesive, On Vinyl / Wood	Black	None Detected
1252-8	2	2 <sup>nd</sup> Floor: Bedroom – Floor	Tar Paper, On Wood	Black	None Detected
1252-9	2	2 <sup>nd</sup> Floor: Bedroom – Ceiling	Plaster Skim Coat	White	None Detected
1252-10	2	2 <sup>nd</sup> Floor: Bedroom – Ceiling	Plaster Base Coat	Grey	None Detected
1252-11	2	2 <sup>nd</sup> Floor: Kitchen – Floor	Vinyl Sheet Floor, On Vinyl (Top Layer)	Brown Pattern	<b>20% Chrysotile</b>
1252-12	2	2 <sup>nd</sup> Floor: Kitchen – Floor	Adhesive, On Vinyl (Top Layer)	Brown	<b>3% Chrysotile</b>
1252-13	2	2 <sup>nd</sup> Floor: Kitchen – Floor	Vinyl Sheet Floor, On Wood (Bottom Layer)	White	<b>5% Chrysotile</b>
1252-14	2	2 <sup>nd</sup> Floor: Kitchen – Floor	Adhesive, On Vinyl / Wood (Bottom Layer)	Brown	None Detected
1252-15	2	2 <sup>nd</sup> Floor: Bath – Floor	Vinyl Sheet Floor, On Wood	White	<b>20% Chrysotile</b>
1252-16	2	2 <sup>nd</sup> Floor: Bath – Floor	Adhesive, On Vinyl / Wood	Grey	<b>3% Chrysotile</b>
1252-17	2	2 <sup>nd</sup> Floor: Bath - Wall	Plaster Skim Coat	White	None Detected
1252-18	1	2 <sup>nd</sup> Floor: Bath - Wall	Plaster Base Coat	Grey	None Detected
1252-19	1	2 <sup>nd</sup> Floor: Hall – Floor	Vinyl Sheet Floor, On Wood	White Pattern	None Detected
1252-20	1	2 <sup>nd</sup> Floor: Hall – Floor	Adhesive, On Vinyl / Wood	Brown	None Detected



**ASBESTOS MATERIAL SAMPLE LOG**

<b>Client:</b>	City of Whitewater	<b>NorthStar No.</b>	240-1252
<b>Location:</b>	216 E Main Street Whitewater, WI 53190	<b>Date Collected:</b>	October 8, 2024
<b>Work Area:</b>	Pre-Demolition	<b>Inspector:</b>	James Gower
<b>Laboratory:</b>	Eurofins CEI, Inc.	<b>Date Analyzed:</b>	October 15, 2024 (Reported)

Sample ID	Bldg. Level	Material Location	Material Sample	Description	Asbestos Content
1252-21	1	Landing – Floor	9" Brown Vinyl Floor Tile, On Wood	Brown	None Detected
1252-22	1	Landing – Floor	Adhesive, On Vinyl / Wood	Brown	None Detected
1252-23	1	2 <sup>nd</sup> Floor Entryway – Floor	Vinyl Sheet Floor, On Wood	White	None Detected
1252-24	1	2 <sup>nd</sup> Floor Entryway – Floor	Adhesive, On Vinyl / Wood	Brown	None Detected
1252-25	1	Shop	Caulking, on Wood Window	White	None Detected
1252-26	1	Bath – Wall	Texture, On Drywall	White	None Detected
1252-27	1	Bath – Wall	Drywall & Joint Compound (Composite)	White	None Detected
1252-28	1	Bath – Ceiling	Texture, On Drywall	White	None Detected
1252-29	1	Bath – Ceiling	Drywall & Joint Compound (Composite)	White	None Detected
1252-30	1	Side Entryway – Wall	Texture, On Drywall	White	None Detected
1252-31	1	Side Entryway – Wall	Drywall & Joint Compound (Composite)	White	None Detected
1252-32	1	Side Entryway – Wall	Plaster Skim Coat	White	None Detected
1252-33	1	Side Entryway – Wall	Plaster Base Coat	Grey	None Detected
1252-34	1	Storage – Wall	Plaster Skim Coat	White	None Detected
1252-35	1	Storage – Wall	Plaster Base Coat	Grey	None Detected
1252-36	1	Garage - Wall	Fiberboard	Brown	None Detected
1252-37	1	Garage - Ceiling	Plaster Skim Coat	White	None Detected
1252-38	1	Garage - Ceiling	Plaster Base Coat	Grey	None Detected
1252-39	Bsmt	Basement – Wall	Mortar, On Stone	Grey	None Detected
1252-40	Bsmt	Basement – Wall	Mortar, On Stone	Grey	None Detected



**ASBESTOS MATERIAL SAMPLE LOG**

<b>Client:</b>	City of Whitewater	<b>NorthStar No.</b>	240-1252
<b>Location:</b>	216 E Main Street Whitewater, WI 53190	<b>Date Collected:</b>	October 8, 2024
<b>Work Area:</b>	Pre-Demolition	<b>Inspector:</b>	James Gower
<b>Laboratory:</b>	Eurofins CEI, Inc.	<b>Date Analyzed:</b>	October 15, 2024 (Reported)

Sample ID	Bldg. Level	Material Location	Material Sample	Description	Asbestos Content
1252-41	Ext	Exterior: East	Transite Siding	Grey	<b>15% Chrysotile</b>
1252-42	Ext	Exterior: East	Tar Paper	Black	None Detected
1252-43	Ext	Exterior: West	Transite Siding	Grey	<b>15% Chrysotile</b>
1252-44	Ext	Exterior: West	Tar Paper	Black	None Detected
1252-45 Layer 1	Ext	Exterior: South	Caulking, On Large Wood Window	Grey	None Detected
1252-45 Layer 2	Ext	Exterior: South	Caulking, On Large Wood Window	Brown	None Detected
1252-46	Ext	Exterior: West	Glazing, On Wood Window	Grey	<b>3% Chrysotile</b>
1252-47	Ext	Exterior: East	Glazing, On Wood Window	Grey	<b>5% Chrysotile</b>
1252-48	Roof	Exterior: West	Asphalt Shingle	Black	None Detected
1252-49	Roof	Exterior: West	Tar Paper	Black	None Detected
1252-50	Roof	Exterior: West	Asphalt Shingle	Black	None Detected
1252-51	Roof	Exterior: West	Tar Paper	Black	None Detected



# City of Whitewater

**216 E Main Street  
Whitewater, WI 53190**

**October 8, 2024**





**LEAD PAINT XRF TESTING DATA**

<b>Client:</b>	City of Whitewater	<b>NorthStar No.</b>	240-1252
<b>Location:</b>	216 E Main Street Whitewater, WI 53190	<b>Site Date:</b>	October 8, 2024
<b>Work Area:</b>	Pre-Demolition	<b>Inspector:</b>	James Gower

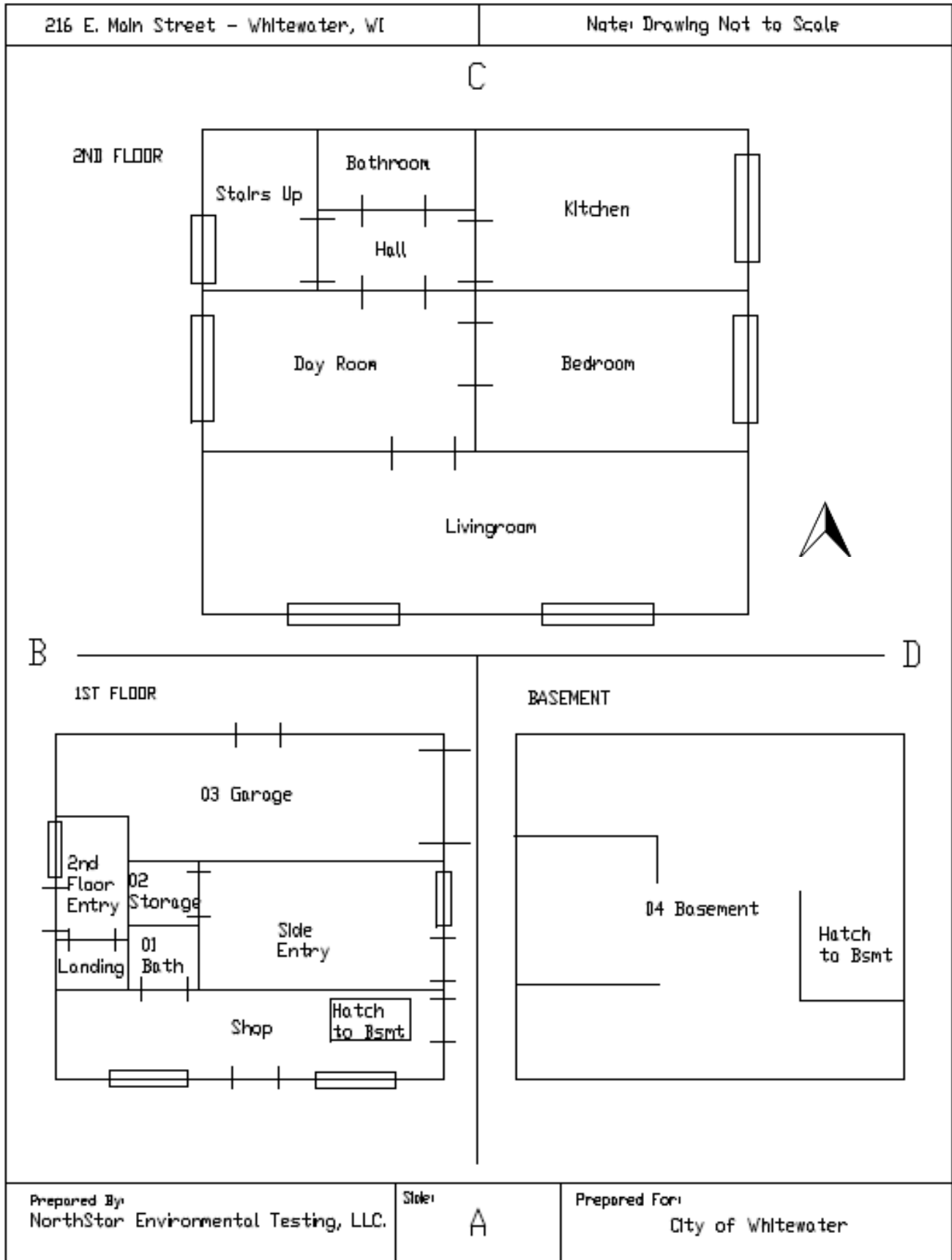
Reading No.	Wall	Structure	Location	Member	Paint Condition	Substrate	Color	Lead (mg/cm <sup>2</sup> )
Pre – Calibration								
1								1.1
2								1
3								0.9
4								0.1
Exterior 001 – Building								
5	A	Foundation			Poor	Concrete	Brown	0.3
6	D	Foundation			Poor	Concrete	Brown	0.2
Interior Room 001 – Bathroom								
7	A	Floor			Poor	Concrete	White	0.2
Interior Room 002 – Storage								
8	B	Floor			Poor	Concrete	White	0.1
Interior Room 003 – Garage								
9	C	Floor			Poor	Concrete	Grey	0.2
Interior Room 004 – Basement								
10	B	Floor			Poor	Conc. Block	White	0.2
11	C	Floor			Poor	Conc. Block	White	0.1
12	D	Floor			Poor	Conc. Block	White	0.2
Post – Calibration								
13								1.
14								1
15								1.1
16								0.1

**Abbreviations:** U = Upper | L = Lower | Rgt = Right | Lft = Left | Ctr = Center | Bsmt = Basement

**Note:**

- Wall A (south) is the road/street side (E Main St) of the building. Walls B/C/D are determined clockwise from wall A.
- The State of Wisconsin defines lead-based paint as that which is equal to or greater than 1.0 mg/cm<sup>2</sup> by XRF. Paint chip analysis would be recommended for determination of lead in paint below this level or to rule out lead in any quantifiable amount (for OSHA related information).
- Readings with a negative value (i.e. -0.1) are equivalent to 0.0.
- The calibration of the XRF analyzer was verified before and after testing by taking three readings from a source known to contain 1.02 mg/cm<sup>2</sup> lead (NIST Standard Reference Material). The three positive calibration readings were followed by a sample on bare wood containing no lead-based paint.





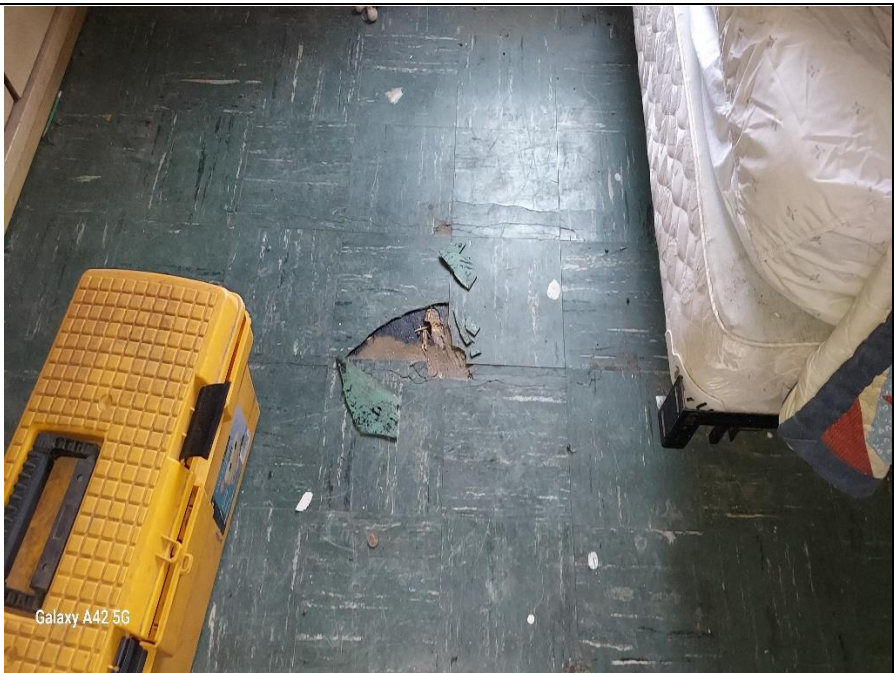


**Photo No. 1**

**Area:**  
2<sup>nd</sup> Floor: Bedroom

**Item:**  
9" Vinyl Floor Tile- Green

**Sample #:** 1252-6

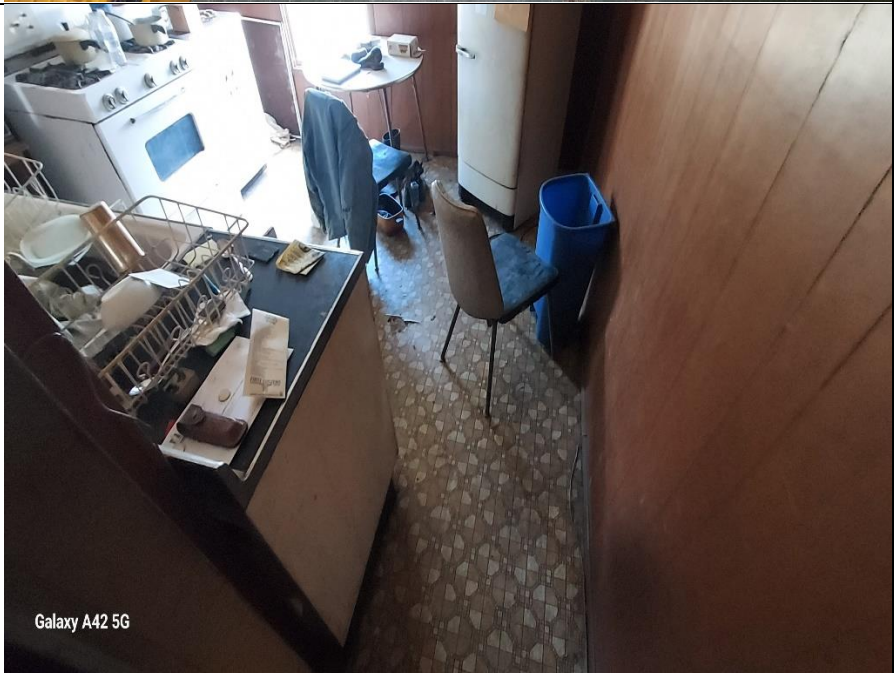


**Photo No. 2**

**Area:**  
2<sup>nd</sup> Floor: Kitchen  
(top layer)

**Item:**  
Vinyl Sheet Flooring  
(brown pattern) and  
Adhesive (brown) on Top of  
Asbestos Containing Vinyl  
Sheet Floor (white)

**Sample #:** 1252-11, 12, 13



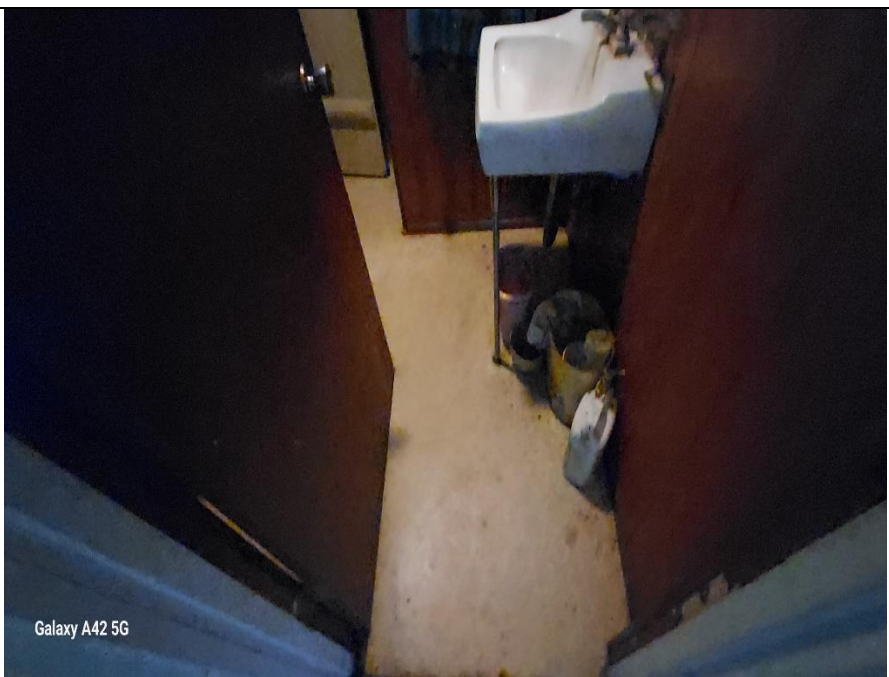


**Photo No. 3**

**Area:**  
**2<sup>nd</sup> Floor: Bathroom**

**Item:**  
**Vinyl Sheet Floor (white)  
and Adhesive (grey)**

**Sample #: 1252-15, 16**



**Photo No. 4**

**Area:**  
**Exterior: South Side**

**Item:**  
**Transite Siding**





Photo No. 5

Area:  
Exterior: West Side

Item:  
Window Glazing

Sample #: 1252-46, 47



Item 6.



**NORTHSTAR ENVIRONMENTAL TESTING LLC**  
 1006 WESTERN AVE, MOSINEE, WI 54455-1530 | (715) 693-6112

is a

**Certified Asbestos Company**  
**DHS ID 925800**

under Wisconsin Admin. Code ch. DHS 159.

Issued Date: May 30, 2023  
 Expiration Date: August 1, 2025

**COPY**



*Miriam Hasan*  
 Miriam Hasan  
 Supervisor, Lead & Asbestos Certification Unit

Wisconsin Department of Health Services  
 1 W Wilson Street  
 Madison, WI 53701  
 608-261-6876 | dhasbestoslead@dhs.wisconsin.gov

**NORTHSTAR ENVIRONMENTAL TESTING LLC**  
 1006 WESTERN AVE, MOSINEE, WI 54455-1530 | (715) 693-6112

is a

**Certified Lead Company**  
**DHS ID 925800**

under Wisconsin Admin. Code ch. DHS 163.

Issued Date: May 30, 2023  
 Expiration Date: August 1, 2025

**COPY**



*Miriam Hasan*  
 Miriam Hasan  
 Supervisor, Lead & Asbestos Certification Unit

Wisconsin Department of Health Services  
 1 W Wilson Street  
 Madison, WI 53701  
 608-261-6876 | dhasbestoslead@dhs.wisconsin.gov





# PLANNING YOUR DEMOLITION OR RENOVATION PROJECT:

A Guide to Hazard Evaluation, Recycling and Waste Disposal  
(Formerly called Pre-Demolition Environmental Checklist)

**INFORMATION ON IDENTIFYING, HANDLING AND PROPERLY DISPOSING OF HAZARDOUS MATERIALS**

**PLANNING YOUR PROJECT**

- 1**  Conduct a walk-through of the project building(s) and grounds to **identify items that contain harmful materials** and other site-related concerns.
- 2**  **Identify and quantify harmful materials at your job site** with specialized inspectors or contractors, if necessary
- 3**  **Notify the DNR** of demolition or renovation activities prior to starting any demolition or renovation work.
- 4**  **Hire specialized consultants, contractors or transporters** to remove and properly manage harmful materials prior to starting your project.
- 5**  **Request and file all receipts** for the disposal of harmful and non-harmful materials related to the project to avoid potential enforcement action.

**B**efore beginning any demolition or renovation project, it is important to know about harmful materials that may be present on your project site.

This guide walks contractors and building owners through the steps to identify harmful materials commonly found at project sites and to handle and dispose of them safely. It also offers proper ways to manage recyclable and reusable materials and other wastes that are common in demolition and renovation projects.

The Resources section on the last page has links to websites with more information.

**Note:** This document is not intended as a substitute for reading the rules, regulations, and statues related to handling demolition and renovation debris. It is simply a guide to assist you in determining how they apply to your demolition or renovation project.

**COMMON HARMFUL MATERIALS**

**B**uildings can contain a number of harmful materials that may expose workers and the public to serious health risks and pollute the air, land and water if handled or disposed of in an unsafe way. Five of these harmful materials are common on project sites and need special care in identification and handling:

- ▶ **Asbestos**
- ▶ **CFCs (chlorofluorocarbons) and halons**
- ▶ **Lead**
- ▶ **Mercury**
- ▶ **PCBs (polychlorinated biphenyls)**



# FIVE STEPS TO A SUCCESSFUL DEMOLITION OR RENOVATION PROJECT

## 1 STEP 1. Conduct a walk-through of the project building(s) and grounds to identify items that contain harmful materials and other site-related concerns.

Identifying hazardous materials before starting work on a project site protects worker health and safety, building occupants, and the financial viability of the project. Doing this up front can help you choose the appropriate inspectors, consultants and contractors and avoid costly change orders or project delays.

Before you begin any demolition or renovation project, thoroughly inspect and inventory the project site for the following items:

- **Appliances:** Appliances may contain CFCs, mercury or PCBs. Appliances that contain CFCs or PCBs must be processed by an appliance de-manufacturer registered with the DNR.
- **Building materials and fixtures that may contain asbestos:** All layers of materials, behind walls, ceiling spaces, etc., should be inspected and sampled unless they are assumed to contain asbestos. The following building components may contain asbestos, but this list is by no means all-inclusive:
  - **Caulking:** Used around windows, doors, corrugated roofing and other places where two materials are joined. PCBs have also been found in caulking materials. Schools and industrial buildings constructed or renovated between 1950 and 1979 are suspected to contain PCB-containing caulk.
  - **Ceilings:** Including acoustical tiles and adhesives, and the materials listed under "Interior and exterior walls" below. All ceiling layers and any spaces above the ceiling where drop ceilings are present should be checked. Insulation debris may also be lying on top of ceiling tiles.
  - **Electrical systems:** Insulators; spark arrestors and transite panels in electrical boxes; wiring insulation; ducts/conduits (transite pipe); and light fixtures.
  - **Flooring:** All sizes of vinyl floor tile, sheet flooring, and linoleum, and felt paper used under hardwood floors.
  - **HVAC systems:** Duct, pipe, and joint insulation because elbows/joints are often coated with asbestos; fiberglass insulation on the straight runs; forced air dampers; wall, floor and chimney penetrations; lining and mortar; fire brick; fire-proofing materials such as transite sheets or heavy paper; boiler insulation; flexible fabric connectors; packing/gaskets and adhesives; paper backing; mastic/adhesives (floor tile, carpet, etc.); and grout and felt paper under hardwood floors.
- **Insulation in ceilings and walls:** Blown-in, spray-applied, and block.
- **Interior and exterior walls:** Wall plaster; joint compound; patches; transite wallboard and siding; fire doors; window putty/glazing/caulking; mortar; asphalt shingles/siding; felt under siding, stucco, textured paint, and other spray-applied materials. Paint containing asbestos is rare except in commercial applications, where it was usually applied as a very thick, often silver-colored coating or added to textured paints.
- **Miscellaneous:** Appliances with a heating element, especially older models; fire curtains and blankets; laboratory tabletops; fume hood linings; blackboards; and fire-resistant clothing like gloves, hoods, aprons, etc.
- **Plumbing:** Pipe wrap, pipe joints, transite counter tops in bathrooms, faucets, packing gaskets, and adhesives.
- **Roofing:** Asphalt shingles; tar-type coatings which are often around vents, chimneys, etc.; transite shingles; roofing felts that are often under a layer of other material; flashings; and mag-block type material found under other material. Check all roof areas and roofing layers.
- **Lighting fixtures/ballasts and bulbs/lamps:** Switches for lighting may use mercury relays. Look for any control associated with exterior or automated lighting systems, such as "silent" wall switches. Several types of light bulbs or lamps contain mercury and must be properly legitimately recycled or disposed of as hazardous waste. These include:
  - **Fluorescent lights:** Even the newer lamps with green-colored ends contain mercury.
  - **High intensity discharge:** metal halide, high pressure sodium, mercury vapor.
  - **Neon**
- **Meters and switches:** Mercury may be found in thermometers, barometers, thermostats, blood-pressure devices, and fluorescent and other types of light bulbs. Any equipment used for measurement of vacuum, pressure, fluid level, temperature, or flow rate could contain mercury. These devices are



most commonly associated with commercial and industrial equipment systems, including tanks, boilers, furnaces, heaters, electrical systems, water cleaning systems, and systems for the movement or pumping of gas (air) or liquids (water). In addition, mercury containing devices are also common in certain agricultural operations such as dairy, and may be present in older model consumer appliances and residential properties, especially larger multi-unit properties.

- **Oil:** Used oil in containers or tanks, hydraulic oils in machinery, electrical transformers and capacitors, and elevator shafts. These oils may contain PCBs and may need to be tested to determine if the oil can be recycled or must be properly disposed of.
- **Paint:** Residential and industrial paints may contain lead, solvents or asbestos. Some industrial paints may contain PCBs.

In addition to the items listed above, be aware of these other site-related concerns:

- **Abandoned wells:** Unused and improperly abandoned wells are a significant threat to groundwater quality. If not properly filled, abandoned wells can directly channel contaminated surface water into the groundwater. State law requires that all wells and drill holes be properly filled prior to any demolition or construction work on the property.
- **Batteries (non-lead-containing):** Batteries may be found in smoke detectors, emergency lighting systems, elevator control panels, exit signs, security systems and alarms. Batteries should be separated from other wastes and taken to a recycling facility or a business that accepts batteries for recycling.
- **Computers and other electronics:** Most electronics are banned from Wisconsin landfills and must be recycled. These can contain hazardous materials such as lead, cadmium, chromium, and mercury and, if not recycled, may be regulated as hazardous waste.
- **Exit signs:** Many self-luminous exit signs contain tritium, a radioactive material. All self-luminous exit signs must have a permanent label that identifies it as containing radioactive material. The label will also include the name of the manufacturer, the product model number, the serial number, and the quantity of tritium contained. It is illegal to abandon or dispose of these signs except by sending them to the manufacturer or to others licensed by the U.S. Nuclear Regulatory Commission.

## ► HAZARDOUS AND UNIVERSAL WASTES

Some wastes, such as used or unused solvents, sanitizers, paint wastes, chemical wastes, pharmaceuticals, gas cylinders, aerosol cans and pesticides, may be hazardous waste and regulated by the EPA and DNR. Hazardous wastes must be removed from a project site prior to demolition or renovation and be disposed of according to specific rules. Read the DNR publication "Is Your Waste Hazardous?" (WA-1152) at <http://dnr.wi.gov/files/pdf/pubs/wa/wa1152.pdf> to determine if a waste is hazardous. See *Handling and Disposal Choices* on page 7 for information on how to dispose of hazardous wastes on a project site.

Universal wastes are hazardous wastes that can be collected and transported with fewer regulations. Universal wastes include hazardous waste batteries, certain pesticides, mercury thermostats and other mercury-containing equipment and some lamps (light bulbs). In Wisconsin, antifreeze can also be managed as a universal waste if it is recycled. See chapter NR 673 of Wisconsin Administrative Code for more details on recycling and reusing universal waste.

- **Painted concrete:** Walls and foundations often contain painted concrete. With prior DNR approval, contractors can grind the concrete and use it on-site or nearby under a new building or road.
- **Smoke detectors:** The smoke detectors that contain a small amount of radioactive material will be labeled and should be returned to the manufacturer for disposal. Otherwise, smoke detectors may go in the trash.
- **Soil contamination:** A qualified environmental consultant can conduct environmental property assessments including identification of contaminated soil.
- **Spills:** In Wisconsin, all spills of hazardous substances that negatively affect or threaten to negatively affect public health, welfare or the



## ► REUSE AND RECYCLING OF MATERIALS

Many materials, fixtures and components can be donated or sold for reuse or recycled prior to demolition. As you inventory the project site for harmful materials, take note of materials that can be reused or recycled and remove them from the project site before demolition work begins.

- The Wisconsin Business Materials Exchange is a web service that facilitates the reuse of surplus or unwanted items or materials among businesses, institutions, and organizations. You can use this tool to post items that are available and request an item you may need.
- Consider holding an auction as a way to reuse building materials, fixtures and components once all the harmful materials have been removed.
- Clean brick, building stone, concrete and asphalt can be stockpiled for crushing and reusing in future building projects.
- Clean, untreated wood can be recycled or chipped for mulch or ground cover.
- Many items such as appliances, electronics, paper and cardboard, glass containers and vehicle items are banned from Wisconsin landfills and must be recycled. For a complete list of these items, go to [dnr.wi.gov](http://dnr.wi.gov) and search "what to recycle."
- The online Wisconsin Recycling Markets Directory contains a list of self-identifying businesses accepting recyclable materials. Make sure your chosen recycler meets local, state and federal regulatory requirements.
- Demolition debris may be taken to a construction and demolition recycling facility if all harmful materials, including all types of asbestos, are removed prior to demolition or renovation.

## ► OPEN BURNING

It is illegal to burn painted, treated or unclean wood, asphalt, plastics of any kind, oily substances, tires and other rubber products, garbage, recyclables, wet rubbish, and other materials. Demolition materials that cannot be burned include: roofing materials, all kinds of flooring materials, insulation, plywood and other composition board, electrical wiring, cabinetry and countertops, and plastic plumbing.

Burning of clean, unpainted and untreated wood is allowed with a DNR burning permit using DNR-approved methods. When burning this type of wood from demolition waste, you must separate out all of the illegal materials, including painted or treated wood, before any burning occurs. The DNR encourages chipping clean, untreated wood for mulch or ground cover.

If you do decide to burn clean, unpainted and untreated wood, it is your responsibility to know what restrictions apply in the area where you are burning. Remember, you must also follow local burning ordinances that may be more restrictive than state law. Contact your local fire department, town chairperson, or local municipal official for more information on local burning rules.

It is illegal to burn unwanted buildings in Wisconsin. The only exception is for a fire department training exercise. For more information on how to prepare a building for a fire department training exercise, contact the DNR asbestos program coordinator at (608) 266-3658.



environment *must* be immediately reported to the DNR via the Spills Hotline, 800-934-0003.

- **Tanks:** Chemical tanks (underground and aboveground) and septic tanks should be assessed, emptied and decommissioned.
- **Tires:** Tires should be reused or recycled. Your local landfill may collect them for recycling or you can check WisconsinRecyclingDirectory.com and search for “motor vehicle items” and then “tires.”

---

## 2 STEP 2. Identify and quantify harmful materials at your job site with specialized inspectors or contractors, if necessary

---

Asbestos and lead have specific requirements from the Department of Natural Resources and the Department of Health Services for their identification and testing on a project site. See the sections on asbestos and lead in this step for those requirements.

You can identify other harmful materials on a project site, such as CFCs and halons, mercury, and PCBs, by doing an inventory of the building systems and fixtures for the items listed here and in Step 1. You may need some testing to confirm the presence of these materials. The DNR recommends hiring an inspector or consultant who has sufficient experience identifying these materials and can collect samples, if necessary, that will help in identification.

If you have a large or complex project, it may make sense to hire a consultant to oversee the coordination of all waste identification and disposal activities.

### ► Asbestos

**Health risks:** Asbestos is a known human carcinogen that can cause serious health problems when disturbed and inhaled. Historically, asbestos was commonly used in industrial, commercial, and residential structures. Asbestos is still used today but to a lesser extent.

**Location and/or materials:** Asbestos is used in more than 3,000 building materials. Asbestos is commonly found in HVAC systems, electrical systems, interior and exterior walls, roofing materials, ceilings, plumbing, and flooring insulation. It is also found in appliances with a heating element, fire curtains and blankets, laboratory tabletops, fume hood lining, blackboards and fire resistant clothing. Refer to Step 1 for a detailed list of building materials and locations that may contain asbestos.

**Identification and testing:** The Department of Health Services requires licensed inspectors to identify asbestos. Inspectors can assume asbestos to be present, or they can identify it through testing. The DNR requires an asbestos inspection for certain projects and recommends it for others.

### Required projects:

- Two or more contiguous single family homes
- Homes that are part of a larger demolition project
- Multi-family housing with five or more units
- Industrial, manufacturing or commercial buildings including bridges, farm buildings, and churches
- Any structure being prepped for a fire training exercise

### Recommended projects:

- Single family homes
- Multi-family housing with 2–4 units

Inspection must be completed and asbestos materials must be removed before beginning any demolition or renovation activities.

### ► CFCs (chlorofluorocarbons) and halons

**Health risks:** CFCs and halons damage the earth’s protective ozone layer high in the atmosphere, allowing greater exposure to the sun’s dangerous ultraviolet rays. Some of the harmful effects of increased UV exposure include increased risk of skin cancer, eye cataracts, immune system deficiencies, and crop damage.

**Location and/or materials:** CFCs can be found in refrigerants in rooftop, room and central air conditioners, refrigerators, freezers, and chillers, dehumidifiers, heat pumps, water fountains and drinking coolers, walk-in coolers (refrigeration or cold storage areas), vending machines and food display cases. Halons are found in fire extinguishers and other fire control equipment.

### ► Lead

**Health risks:** Inhaling or swallowing lead dust can cause serious health effects, including kidney disease, neuropathy, infertility, heart and cardiovascular disease, stroke, memory problems, and Alzheimer’s disease.



**Location and/or materials:** Lead plumbing and lead-based paint are commonly found in many older buildings. Lead may be found in paint on woodwork and metal equipment, leaded glass, lead window-sash weights, lead flashing molds, roof vents, lead pipes and solder. Lead is found in both indoor and outdoor applications. Lead is also found in lead-acid batteries associated with older lighting, exit signs, and security systems.

**Identification and testing:** The Department of Health Services requires licensed inspectors and risk assessors to identify lead paint. When building surfaces or components are being renovated in any residential and child-occupied buildings built before 1978 (such as private homes, rental units, day care centers, and schools), lead paint must be assumed to be present or identified through testing.

Lead paint sampling is recommended on commercial and industrial projects. The US discontinued manufacturing lead paint for residential use by 1978, but lead is still used in specialty paints in commercial and industrial applications. Most buildings have multiple layers of paint, and all layers should be considered.

## ► Mercury

**Health risks:** Liquid mercury evaporates slowly at room temperature and gives off harmful vapors that are invisible and odorless. Breathing these vapors causes the most harm to people, but mercury can also be harmful when it comes in contact with broken skin or when it is swallowed. Women and children are most at risk from mercury poisoning, which can cause brain and nerve damage, resulting in impaired coordination, blurred vision, tremors, irritability and memory loss. Mercury poisoning also causes birth defects.

**Location and/or materials:** Mercury may be found in thermometers, barometers, thermostats, dental offices, blood-pressure devices, and fluorescent and other types of light bulbs. Any equipment used for measurement of pressure, fluid level, temperature, or flow rate could contain mercury. These devices are most commonly associated with commercial and industrial equipment systems, including tanks, boilers, furnaces, heaters, electrical systems, water cleaning systems, and systems for the movement or pumping of gas (air) or liquid (water). In addition, mercury containing devices are common in certain agricultural operations such as dairy, and may be present in older model consumer appliances, vehicle light switches and residential properties, especially larger multi-unit

properties. Dental offices use mercury-containing amalgam that may be found in sink drain traps. Mercury can also be found as part of older wastewater treatment plant trickling filters.

## ► PCBs (polychlorinated biphenyls)

**Health risks:** PCBs may cause cancer in humans and can disrupt hormone and nervous system function. PCBs are persistent in the environment and stay in animals' and humans' systems. PCBs are a source of contamination in fish and have caused fish consumption advisories for humans.

**Location and/or materials:** PCBs can be found in electrical oils (e.g. transformers and capacitors in appliances) electronic equipment, heat transfer equipment, hydraulic fluids, light ballasts, industrial paints, specialty paints (e.g. swimming pools) and caulking materials. Sumps, oil traps and concrete flooring in facilities that used or manufactured PCBs may be contaminated with PCBs as well. Electrical devices manufactured prior to 1978 should be assumed to contain PCBs.

**Identification and testing:** You may be able to determine PCB concentrations in electrical equipment oil using identification labels, documents from the manufacturer indicating the PCB concentration at the time of manufacture, or service records showing the PCB concentration measured when the equipment was serviced. If a manufactured date and PCB content label are not found on a transformer or capacitor, the oil should be tested to determine the PCB content prior to dismantling and disposal. Oil-filled electrical equipment labeled "No PCBs" may still contain PCBs, but at a concentration lower than what the EPA regulates. The oils in this equipment should still be tested to see if they contain PCBs and then handled appropriately.

Testing of specialty paint, epoxies and caulks in buildings built or renovated between 1950 and 1979 is recommended. High levels of PCBs are being found in these materials across the country. Once testing is complete, boldly label all surfaces and items that were found to contain PCBs so they are handled appropriately during renovation or demolition.



# 3 STEP 3. Notify the DNR of demolition or renovation activities prior to starting any demolition or renovation work.

Notification to the DNR is required for all demolition projects meeting any of these categories:

- Two or more contiguous single-family homes
- Homes that are part of a larger demolition project
- Multi-family housing with five or more units
- Industrial, manufacturing or commercial buildings including bridges, farm buildings, and churches
- Any structure being prepped for a fire training exercise

DNR notification is also required for renovation projects meeting any of these criteria, if asbestos removal is involved.

### For demolition projects

All demolition projects meeting the previously listed criteria require DNR notification 10 working days before the project work begins.

### For renovation projects involving asbestos

All renovation projects meeting the previously listed criteria that involve asbestos require DNR notification 10 working days before the project begins.

**Note:** While plans to demolish or renovate a single-family home do NOT require DNR notification, it is recommended you take the precautionary steps outlined in this publication.

## ▶ HANDLING AND DISPOSAL CHOICES

You have a few options for handling and disposing of lead, mercury, PCBs and other wastes from your project site that qualify as hazardous waste. Identifying these options prior to beginning the project can help you schedule transportation and disposal and maintain the overall project schedule.

- **Hire a waste management contractor** to pick up and dispose of hazardous wastes. This takes the guess work out of handling these types of wastes. Contractors have properly trained personnel that will determine appropriate packaging, shipping and vehicle licensing and have established relationships with disposal facilities.

Other choices provide you with reduced regulation and may change depending on the amount of hazardous waste generated in a month. As a contractor, you may manage hazardous wastes you generate at temporary job sites only according to the following options. For more details on these options, see the DNR publication "Pilot Project for Management of Contractor Generated Hazardous Waste" (WA-654) at <http://dnr.wi.gov/files/pdf/pubs/wa/wa654.pdf>.

- **Hire a licensed hazardous waste transporter** to transport the hazardous waste to a licensed or permitted hazardous waste treatment, storage and disposal facility. In this case, you must follow the applicable generator requirements in chapters NR 660-679 of Wisconsin Administrative Code.
- **Leave containerized hazardous waste for the site owner to properly manage.** In this case, the site owner must follow the applicable generator requirements in chapters NR 660-679 of Wisconsin Administrative Code. If you choose this option, be sure to include this in your contract with the site owner.
- **Transport the containerized hazardous waste yourself** directly from the temporary job site to a Household and Very Small Quantity Generator (VSQG) Hazardous Waste Collection Facility. This includes county or municipal Clean Sweep locations. If the total quantity of hazardous waste generated by your company in one month is less than 220 lbs. (about half of a 55-gallon drum), you would be a VSQG and your hazardous waste may be taken to a Clean Sweep location for handling and disposal. Contact your local Clean Sweep coordinator for information on possible fees, accepted materials, and other details.
- **Transport the containerized hazardous waste yourself to your central business location.** This option is currently available under a pilot project. Waste handled in this manner is subject to the pilot project conditions. See the publication referenced above for more information.



## STEP 4. Hire specialized consultants, contractors or transporters to remove and properly manage harmful materials prior to starting your project.

Hiring the right consultant, contractor or transporter is important to ensure safe handling practices and disposal options. This section will help you determine who to hire. Links to lists of licensed consultants, contractors and transporters are on the last page under Resources.

### ► Asbestos

**Handling practices:** Asbestos professionals trained and certified by DHS are required to perform asbestos removal in most multi-unit residential and all commercial, industrial, manufacturing and government buildings. Most types of asbestos-containing materials must be removed from the building prior to demolition or renovation.

**Disposal:** The asbestos removal contractor is responsible for disposing of the asbestos materials at a licensed landfill approved to accept asbestos waste. Not all landfills accept asbestos materials, so contractors should call the landfill to find out what materials are accepted and the hours of operation.

In some situations, non-friable asbestos materials (materials that are resistant to crushing), such as floor tile and roofing, may remain in place during the demolition activities. When this is done, the debris must be taken to a municipal or construction and demolition landfill. Debris containing non-friable asbestos materials may not be taken to a construction and demolition recycling facility.

### ► CFCs (chlorofluorocarbons) and halons

**Handling practices:** Keep units that contain refrigerants in place for a certified transporter to remove them. Moving them may cause an accidental release of refrigerants. Certified transporters include waste haulers, community recycling programs, and appliance salvage businesses. State law requires that anyone transporting salvaged refrigeration units must certify to the DNR that they will transport items in a way that prevents refrigerant releases. Technicians who remove refrigerants from units must be registered with the DNR and use approved equipment.

Check both portable and installed fire suppression systems for labels indicating halons. Trained technicians are also needed to remove halons. Contact local fire suppression equipment companies or the Halon Recovery Corporation for more information. Do not discharge halon fire extinguishers; intentionally releasing these substances is prohibited under federal regulations.

**Disposal:** Once the refrigerants are recovered, the unit may be taken to a metal scrap recycling facility. If you send halon-containing equipment offsite for disposal, it must be sent to a manufacturer, fire equipment dealer or recycler operating in accordance with National Fire Protection Association standards.

### ► Lead

**Handling practices:** DHS-certified lead-safe contractors are required for any renovations, repairs, painting or other paint-disturbing services on or in the regulated buildings that contain lead paint. These contractors must use lead-safe practices at these properties.

State law prohibits the sale or transfer of any fixture or other object that contains lead-bearing paint if children would have ready access to the fixture or object in its new location.

**Disposal:** Dispose of in a landfill any painted wood or building components that contain lead paint. Do not burn or chip wood that contains lead paint or use it for landscaping.

Lead paint waste, such as lead paint chips or lead paint removed from commercial or industrial buildings, must be tested to determine if it is a hazardous waste for disposal purposes.

See *Handling and Disposal Choices on page 7 for handling and disposal options.*

### ► Mercury

**Handling practices:** You may collect intact mercury-containing devices and bring them back to your primary business location or bring them directly to an off-site mercury recovery facility. Do not remove mercury ampoules or free liquids from the device. Store devices in a covered plastic container to prevent them from breaking. Label the container to assist proper handling and disposal.

If any mercury is spilled or released during handling, report the spill immediately by calling the DNR 24-hour Spills Hotline: (800) 934-0003. Mercury spreads quickly, and even a small spill can cause big cleanup costs in a short period of time.



**Disposal:** Trained professionals and specific equipment are needed for safe removal of mercury from ampoules and devices. Mercury must be transported by a licensed hazardous waste transporter to a mercury facility to be recycled or reclaimed.

See *Handling and Disposal Choices on page 7 for handling and disposal options.*

► **PCBs (polychlorinated biphenyls)**

**Handling practices:** The EPA recommends that caulk containing PCBs be removed during planned renovations and repairs (when replacing windows, doors, roofs, ventilation, etc.). It is important to ensure that PCBs are not released into the air during renovation or repair of affected buildings.

Oils with PCB content greater than 50 ppm are prohibited from being mixed with other materials to reduce the PCB content.

**Disposal:** PCBs must be transported either by your company, a licensed hazardous waste transporter or a full-service contractor. PCBs and PCB-containing wastes must be taken to a licensed disposal facility or directly to a licensed incineration facility. Arrangements for accepting PCBs must be made with these facilities ahead of time.

See *Handling and Disposal Choices on page 7 for handling and disposal options.*

► **DEMOLITION AND RENOVATION WASTE**

Disposal options for demolition and renovation wastes depend on the type of waste and, in some cases, the amount generated. Solid wastes such as trash, painted wood, and fiberglass insulation can be disposed of at solid waste transfer stations and landfills, including construction and demolition landfills.

If demolition wastes are going to a construction and demolition landfill, all non-building components, such as books, furniture and trash must be removed before you begin demolition (note that most of these non-building components can be reused or recycled). Non-building components may stay in the building if the demolition waste is going to a municipal solid waste landfill. Check with local landfills prior to demolition to determine how to manage your wastes.

Demolition debris may be taken to a construction and demolition recycling facility if all asbestos materials and other harmful materials have been removed prior to demolition or renovation.

To find a list of these facilities licensed in Wisconsin, go to [dnr.wi.gov](http://dnr.wi.gov) and search "licensed waste haulers and facilities."

---

**STEP 5. Request and file all receipts for the disposal of harmful and non-harmful materials related to the project to avoid potential enforcement action.**

---

As materials are removed from the project site, ask your contractors for disposal receipts to document the disposal or recycling of your wastes. This is an important step in protecting your company. If materials are illegally dumped, the DNR will investigate to determine where the materials came from. Part of the investigation process would be to identify projects in the area that may have been the source of the illegally dumped materials. Receipts show that your project wastes were disposed of appropriately and protect you from liability issues and fines and/or forfeitures.

Once the harmful materials have been removed from the project site and the notification to DNR is submitted with the appropriate dates of demolition, demolition may begin. This includes first removing materials for reuse or recycling. If all harmful materials, including all types of asbestos, have been removed from the building or structure before demolition, the resulting debris may be taken to a construction and demolition recycling facility.



**Asbestos**

- DNR asbestos program requirements: [dnr.wi.gov](http://dnr.wi.gov), search "asbestos"
- DHS Wisconsin Asbestos Program: [www.dhs.wi.gov/asbestos/](http://www.dhs.wi.gov/asbestos/)
- DHS-certified asbestos companies: at the link above, look for "certified company" in the left-hand margin

**Brownfields**

- DNR brownfields redevelopment: [dnr.wi.gov](http://dnr.wi.gov), search "brownfield"

**CFCs and halons**

- DNR refrigerant recovery program: [dnr.wi.gov](http://dnr.wi.gov), search "refrigerants"

**Demolition debris, waste, transporters, landfills and other licensed facilities**

- DNR demolition, construction & renovation information: [dnr.wi.gov](http://dnr.wi.gov), search "demolition"
- DNR waste and materials management: [dnr.wi.gov](http://dnr.wi.gov), search "waste"
- DNR list of licensed haulers and facilities: [dnr.wi.gov](http://dnr.wi.gov), search "licensed waste haulers and facilities"
- Contact the DNR: 608-266-2111 or [DNRWasteMaterials@wisconsin.gov](mailto:DNRWasteMaterials@wisconsin.gov)

**Hazardous and universal wastes**

- DNR hazardous waste information: [dnr.wi.gov](http://dnr.wi.gov), search "hazardous waste"
- "Is Your Waste Hazardous?" (DNR publication WA-1152): <http://dnr.wi.gov/files/pdf/pubs/wa/wa1152.pdf>
- Handling and disposal of hazardous wastes – "Pilot Project for Management of Contractor Generated Hazardous Waste" (DNR publication WA-654): <http://dnr.wi.gov/files/pdf/pubs/wa/wa654.pdf>.
- Wisconsin Administrative Code chapter NR 673 – Universal Waste Management Standards: [http://docs.legis.wisconsin.gov/code/admin\\_code/nr/600/673/](http://docs.legis.wisconsin.gov/code/admin_code/nr/600/673/)

**Lead**

- DHS Lead-Safe Wisconsin: [www.dhs.wi.gov/lead/](http://www.dhs.wi.gov/lead/)
- DHS-certified lead companies: at the link above, look for "certified company" in the left-hand margin
- DNR Application for Low Hazard Waste Exemption for Reuse of Concrete Coated with Lead-Bearing Paint – Form 4400-274 (R 2/12) <http://dnr.wi.gov/files/pdf/forms/4400/4400-274.pdf>

**Mercury**

- EPA information on mercury: [www.epa.gov/hg/consumer.htm](http://www.epa.gov/hg/consumer.htm)

**PCBs**

- EPA information on PCBs: [www.epa.gov/wastes/hazard/tsd/pcbs/](http://www.epa.gov/wastes/hazard/tsd/pcbs/)
- Wisconsin Administrative Code chapter NR 157 – Management of PCBs and Products containing PCBs: [docs.legis.wisconsin.gov/code/admin\\_code/nr/100/157/](http://docs.legis.wisconsin.gov/code/admin_code/nr/100/157/)

**Reuse & recycling**

- DNR recycling program: [dnr.wi.gov](http://dnr.wi.gov), search "recycling"
- WasteCapDIRECT – a centralized, online directory of construction and demolition recycling processors, haulers and end markets: [www.wastecap.org](http://www.wastecap.org)
- Wisconsin Recycling Markets Directory: [www.wisconsinrecyclingdirectory.com](http://www.wisconsinrecyclingdirectory.com)

**Storage tanks**

- Department of Safety and Professional Services storage tank database: <http://dsps.wi.gov/online-services/storage-tanks>

**Wisconsin Administrative Code**

- Wisconsin Legislative Documents: <http://docs.legis.wisconsin.gov>

**WISCONSIN DNR**



**Wisconsin Department of Natural Resources  
Waste & Materials Management Program**

PO Box 7921  
Madison, WI 53707

(608) 266-2111  
[DNRWasteMaterials@wisconsin.gov](mailto:DNRWasteMaterials@wisconsin.gov)

Publication WA-651  
Revised July 2014

*The Wisconsin Department of Natural Resources provides equal opportunity in its employment, programs, services, and functions under an Affirmative Action Plan. If you have any questions, please write to Equal Opportunity Office, Department of Interior, Washington, D.C. 20240.*

*This publication is available in alternative format (large print, Braille, audio tape, etc.) upon request. Please call (608) 266-2111 for more information.*







# CDA Agenda Item

Meeting Date:	November 21, 2024
Agenda Item:	Rodriguez Assignment & Assumption Agreement
Staff Contact (name, email, phone):	Taylor Zeinert, EDD <a href="mailto:tzeinert@whitewater-wi.gov">tzeinert@whitewater-wi.gov</a> 262-473-0148

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

On August 15, 2024 EDD, Zeinert presented a recent update to the CDA regarding the status of the Assignment and Assumption Agreement related to the Black Sheep a/k/a Fine Food Arts LLC (the "Agreement"). At that meeting, EDD Zeinert shared that Dan Rodriguez wanted to sign the Agreement and assume the debt created by Jay Stinson. EDD Zeinert suggested this matter be referred to CDA Attorney Rick Manthe. The Board concurred with that suggestion.

At the September 19, 2024 CDA Meeting, EDD Zeinert shared an update of the project. EDD Zeinert shared that a full inventory of what assets were in the Black Sheep had been made. Additionally, Attorney Olivier Reiher, an associate of Attorney Manthe, specializes in Business Law, Bankruptcy and Creditor's Rights. Attorney Reiher moved forward with a draft of an Assignment and Assumption Agreement which is attached to this memo. The summary of the Agreement is that, despite Fine Food Arts LLC d/b/a The Black Sheep having initially accrued the debt, Mr. Rodriguez, who is the sole member of KLD LLC, will take on said debt. Mr. Rodriguez will make payments on said debt until the debt is paid in full. The payments will be amortized over 43 months. The Board approved a motion. The board approved the Agreement, and staff moved forward with making arrangements to execute the Agreement.

Staff reached out to Dan Rodriguez to execute the Agreement. Rodriguez shared that he priced out the equipment in the storefront and determined that it is not in his best interest to sign the Agreement. Rodriguez said that he prefers that the CDA remove the assets and then he would just purchase the assets at auction. To be clear, at this time Rodriguez no longer wishes to sign the Agreement.

Staff then reached out to Attorney Manthe requesting recommendations on how to proceed. Attorney Manthe shared that to collect on the loan and interest, we would need to file an action against the Fine Food Arts company and Jay Stinson. However, both the company and Mr. Stinson have outstanding judgments against them that are unpaid. Additionally, the CDA is third in line to recover from the assets of Mr. Stinson's business. Rick feels that it is highly unlikely that the CDA would recover any money even if successful. So, while we could certainly pursue an action to recover the outstanding loan amount, it would likely result in the CDA spending more money on attorney fees and not actually recovering any amounts.

Since the Mr. Rodriguez is not willing to sign the Agreement, it becomes a question of whether or not the CDA should still try to facilitate this deal. We could remove the requirement to sign the assumption agreement. **Essentially, we would write off the debt as uncollectable. Or, we could hold firm on the requirement that the Agreement be signed, but not take any action to recover from Mr. Stinson.** Mr. Rodriguez noted that if the assets were removed, he would just buy the current assets at auction. This would deny him that opportunity, however, the property would remain in its current condition.

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



**FINANCIAL IMPACT**

(If none, state N/A)

If the decision were made to write off the loan, the CDA would take the loss of the \$31,810.

If the decision were made to pursue this legally, the cost of doing so would most likely be less than the amount the CDA could recover.

**STAFF RECOMMENDATION**

**Staff's recommendation is to write off the loan. Staff recognizes that this is not the ideal situation, nor are these two great options. However, Staff believes that writing off the loan is the best financial decision.**

**Suggested Motion:**

**I move to have staff work with the Finance Director to write off the debt accrued by Fine Food Arts LLC as uncollectable.**

**ATTACHMENT(S) INCLUDED**

(If none, state N/A)

---





# CDA Agenda Item

Meeting Date:	November 21, 2024
Agenda Item:	Update, Discussion & Possible Action to File Criminal Charges Against Jay Stinson relating to CDA Loan to Fine Food Arts, LLC
Staff Contact (name, email, phone):	Taylor Zeinert, EDD <a href="mailto:tzeinert@whitewater-wi.gov">tzeinert@whitewater-wi.gov</a> 262-473-0148

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

At the September 19<sup>th</sup> CDA meeting, a motion was made to direct Attorney Manthe to investigate pursuing criminal charges against Mr. Jay Stinson. The Board had promoted this request due to the fact that Mr. Stinson was selling equipment via Facebook that was purchased by a loan that he defaulted on. EDD Zeinert reached out to Attorney Manthe and asked him to explore the possibilities of pursuing criminal charges.

Attorney Manthe shared “: I don’t believe there would be a criminal complaint option here unless there is fraud of some sort. As for the legal suit to collect and stop him from liquidating assets, that is an option. But again, that would be costly and likely would not result in much return given that the CDA is third in line.”

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

September 19<sup>th</sup> CDA had asked EDD Zeinert to contact Attorney Manthe about pursuing criminal charges against Mr. Jay Stinson.

**FINANCIAL IMPACT**  
(If none, state N/A)

**STAFF RECOMMENDATION**

Staff Recommendation is not to pursue filling criminal charges against Mr. Stinson as this would be costly and not financially rewarding.

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





# CDA Agenda Item

Meeting Date:	November 21, 2024
Agenda Item:	But For Worksheet
Staff Contact (name, email, phone):	Taylor Zeinert <a href="mailto:tzeinert@whitewater-wi.gov">tzeinert@whitewater-wi.gov</a> 262-473-0148

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

The City Manager and I are enrolled in a Certified Public Manager Course. This course requires students to complete an individual or small group project that utilizes the skills taught in the class.

John and I decided to create a But for Worksheet. This was previously presented at the July 18, 2024 CDA meeting as a Staff Report. Staff wants to bring this document back for feedback and discussion about the form.

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

-The But For Worksheet was presented at the July 18, 2024 CDA meeting as a staff update.

**FINANCIAL IMPACT**  
(If none, state N/A)

**STAFF RECOMMENDATION**

Staff is looking for feedback regarding the document. What things need to be changed? Is it easy to understand? Could you accurately explain the form to someone who is unfamiliar with TIF?

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

- Original Memo that was presented with the But for Worksheet
- But For Worksheet





**Office of the City Manager**  
312 W. Whitewater Street, P.O. Box 178  
Whitewater, Wisconsin 53190

MEMORANDUM

[www.whitewater-wi.gov](http://www.whitewater-wi.gov)  
Telephone: (262) 473-0104  
Fax: (262) 222-5901

To: Community Development Authority  
From: John Weidl, City Manager  
Date: 11/8/2024

Re: **Subject: Implementation of the "But For" Test Evaluation Worksheet for TIF Projects**

Dear Members of the Community Development Authority,

In our ongoing effort to promote transparency, fairness, and consistency in evaluating potential Tax Increment Financing (TIF) projects, I am pleased to introduce the "But For" Test Evaluation Worksheet. This tool has been developed in accordance with best practices outlined by state law and aims to provide a structured, objective framework for assessing the viability and necessity of TIF assistance for proposed development projects.

**Purpose and Rationale**

The "But For" Test Evaluation Worksheet is designed to help determine whether a proposed development project meets the "but for" standard required for TIF approval in Wisconsin. This standard ensures that TIF support is granted only to projects that would not proceed without such assistance. By implementing this worksheet, we aim to enhance our decision-making process, address the concerns of critics, and ensure that public funds are used effectively to support meaningful economic development.

**Evaluation Criteria**

The worksheet includes ten key criteria, each rated on a scale from 1 to 10, to comprehensively assess a project's need for TIF support and its potential benefits to the community. The criteria are as follows:

1. **Necessity of TIF for Development:** Evaluates whether the project would proceed without TIF support.
2. **Economic and Community Impact:** Assesses the project's alignment with the municipality's economic strategy and land-use plans.
3. **Benefits to Taxpayers:** Measures the feasibility of TID expenditure and benefits to taxpayers.
4. **Management and Oversight:** Evaluates the clarity of roles and responsibilities for managing the TID.
5. **Impact on Local Services:** Assesses the potential strain on local services and mitigation plans.
6. **Risk Assessment:** Evaluates financial and operational risks and mitigation strategies.
7. **Job Creation:** Measures the number and quality of jobs the project will create.
8. **Developer's Public Subsidy Needs:** Assesses the justification for the developer's need for public subsidy.
9. **Assurances and Guarantees:** Evaluates the assurances and guarantees provided by the developer to ensure project success.
10. **Documentation and Compliance:** Measures adherence to statutory requirements and completeness of documentation.



## Scoring and Threshold

Each criterion is rated from 1 to 10, with the total possible score being 100 points. A project must score at least 70 points to be considered as meeting the "but for" standard. This threshold ensures that only projects with a demonstrated need for TIF support and substantial benefits to the community receive assistance.

## Benefits of the Worksheet

1. **Transparency:** Provides a clear, documented process for evaluating TIF projects, addressing concerns about the decision-making process.
2. **Fairness:** Ensures all projects are assessed using the same criteria, promoting an equitable evaluation process.
3. **Consistency:** Standardizes the evaluation process, making it easier to compare different projects and make informed decisions.

## Conclusion and Application


The introduction of the "But For" Test Evaluation Worksheet marks a significant advancement in our commitment to responsible fiscal management and strategic economic development. This robust framework ensures that public funds are used judiciously and effectively for TIF projects. I strongly recommend that the CDA adopts this worksheet for future evaluations to promote transparency, fairness, and consistency.

To illustrate its practical application, I used the worksheet to evaluate two projects with information available in the CDA packet. The Slater Project, a multifamily development at Moraine View Parkway, scored 77 out of 100 points, demonstrating feasibility with TIF support due to high construction costs and interest rates. This project aligns well with the city's land-use plan and promises significant economic and community benefits. Similarly, the Park Crest Project, a development of 19 single-family homes, scored 80 out of 100 points, showing a high necessity for TIF assistance due to financial infeasibility without it and significantly contributing to community housing needs and local economic growth.

These evaluations exemplify how the worksheet supports developments that align with Whitewater's strategic goals and provide long-term community benefits. Moving forward, staff will be using this worksheet, and I highly suggest the CDA adopt its use as well. Please see the attached worksheets for detailed evaluations.

Thank you for your continued dedication to the economic development of Whitewater. Should you have any questions or require further clarification on the worksheet, please do not hesitate to contact me.

Warmest Regards,



John S. Weidl, City Manager



## "But For" Test Evaluation Worksheet for the City of Whitewater and the CDA

This worksheet is designed to help the City of Whitewater and the Community Development Authority (CDA) evaluate whether a proposed development project meets the "but for" standard for Tax Increment Financing (TIF) in Wisconsin. Each criterion is rated on a scale of 1 to 10. The total possible score is 100 points.

### Minimum Threshold

A project must score at least 70 points out of 100 to be considered meeting the "but for" standard.

### Rater Information

- **Rater Name:** \_\_\_\_\_
- **Date:** \_\_\_\_\_
- **Department:** \_\_\_\_\_

### Evaluation Criteria and Examples

#### 1. Necessity of TIF for Development

**Description:** This criterion assesses whether the proposed development would proceed without TIF support. It is crucial because TIF is intended to stimulate projects that would not otherwise happen due to financial infeasibility.

- **Rating (1-10):**
  - **1-3:** Development would proceed without TIF support.
    - *Example:* A developer has multiple funding sources and the project is already planned regardless of TIF assistance.
  - **4-6:** Development might proceed on a smaller scale or delayed timeline without TIF.
    - *Example:* A developer is hesitant and indicates some parts of the project may be cut or postponed without TIF.
  - **7+:** Development would not proceed at all without TIF.
    - *Example:* The developer explicitly states that without TIF, the project is financially unfeasible and will be abandoned.
  - **10:** Comprehensive analysis shows the development is impossible without TIF and all other funding avenues have been exhausted.
    - *Example:* The developer provides detailed financial reports and evidence showing that without TIF, the project will not proceed and alternative funding sources have been explored and exhausted.
- **Rater Comments:**

#### 2. Economic and Community Impact

**Description:** This criterion evaluates how the development fits into the municipality's overall economic strategy and land-use plans. It is important because the development should offer significant long-term benefits to the community.



- **Rating (1-10):**
  - **1-3:** The development does not align with the comprehensive land-use plan and has minimal community benefits.
    - *Example:* The project conflicts with the city's zoning plans and offers little long-term economic benefit.
  - **4-6:** The development partially aligns with the comprehensive land-use plan and provides moderate community benefits.
    - *Example:* The project generally fits the city's plans but may need zoning adjustments; it brings some economic advantages but with trade-offs.
  - **7+:** The development aligns with the comprehensive land-use plan and offers significant long-term benefits.
    - *Example:* The project is zoned correctly, supports or creates jobs, and creates meaningful economic growth.
  - **10:** The project is a cornerstone of the city's future economic development plans, with widespread community support and high anticipated economic returns.
    - *Example:* The project not only aligns perfectly with the city's plans but also has endorsements from key stakeholders and detailed projections showing major economic benefits.
- **Rater Comments:**

### 3. Benefits to Taxpayers

**Description:** This criterion measures whether the TID expenditure is feasible and beneficial to taxpayers. It ensures that the project is financially sound and offers tangible benefits to the community.

- **Rating (1-10):**
  - **1-3:** The expenditure for project costs is not feasible, and taxpayers see minimal benefit.
    - *Example:* The project's costs far outweigh the potential returns, and it burdens taxpayers.
  - **4-6:** The expenditure is feasible but with moderate risk; taxpayers see some benefit.
    - *Example:* The project is costly but manageable, with some expected return in the form of increased tax increment.
  - **7+:** The expenditure is feasible and offers clear benefits to taxpayers.
    - *Example:* The project is well-budgeted, expected to sustain property values, and generate sustained tax increment.
  - **10:** The project is projected to significantly increase tax revenues while also reducing costs for taxpayers in other areas.
    - *Example:* Detailed financial models show substantial returns on investment, leading to decreased tax rates or increased public services.
- **Rater Comments:**

### 4. Management and Oversight

**Description:** This criterion looks at the clarity of roles and responsibilities for managing the TID. Effective management and oversight are crucial for ensuring the project's success and compliance with regulations.

- **Rating (1-10):**



- **1-3:** Responsibility for the TID's management is unclear.
  - *Example:* No specific person or department is designated to manage the TID.
- **4-6:** Responsibility is somewhat clear but may lack comprehensive oversight.
  - *Example:* Management roles are assigned but lack detail in execution plans.
- **7+:** Clear, well-defined management and oversight roles are in place.
  - *Example:* Specific roles and responsibilities are assigned to experienced personnel with a solid management plan.
- **10:** There is an exceptionally detailed management plan with clear accountability and robust oversight mechanisms.
  - *Example:* The project includes a detailed management structure with experienced managers and comprehensive oversight protocols.
- **Rater Comments:**

## 5. Impact on Local Services

**Description:** This criterion evaluates the potential strain on local services and how well the project plans to address these impacts. It is important to ensure that the development does not negatively affect existing services.

- **Rating (1-10):**
  - **1-3:** The TID significantly strains local services without adequate planning.
    - *Example:* The project creates significant demand on schools, emergency services, and infrastructure without planned support.
  - **4-6:** The TID moderately impacts local services, but plans are in place to manage these impacts.
    - *Example:* There are some strains on services, but mitigation strategies are partially developed.
  - **7+:** The TID has minimal impact on local services and includes planning to manage any increase in demand.
    - *Example:* Comprehensive planning ensures that local services can handle the increased demand effectively.
  - **10:** The project not only minimizes impact on local services but also enhances them.
    - *Example:* The development includes funding for expanding local services, ensuring they improve alongside the project.
- **Rater Comments:**

## 6. Risk Assessment

**Description:** This criterion assesses the financial and operational risks associated with the project and the effectiveness of mitigation strategies. It ensures that the project is resilient to potential challenges.

- **Rating (1-10):**
  - **1-3:** High financial and operational risks with little mitigation.
    - *Example:* The project faces significant financial instability with no risk management plan.
  - **4-6:** Moderate risks with some mitigation strategies in place.



- *Example:* The project has identified risks with partial mitigation strategies, such as minimum assessed value (MAV) or clawbacks but remains somewhat vulnerable.
  - **7+:** Low risks with comprehensive mitigation strategies in place.
    - *Example:* All potential risks are well-managed with robust mitigation plans. MAV, Pay-go subsidy, and construction timelines in place.
  - **10:** The project has been thoroughly assessed with extensive risk mitigation strategies ensuring its stability.
    - *Example:* Detailed risk management plans are in place, addressing all foreseeable risks comprehensively.
- **Rater Comments:**

## 7. Job Creation

**Description:** This criterion evaluates the number and quality of jobs the project will create. Job creation is a key benefit of TIF projects, contributing to local employment and economic growth.

- **Rating (1-10):**
  - **1-3:** The project creates few or low-quality jobs.
    - *Example:* Only a small number of temporary or low-paying jobs are expected.
  - **4-6:** The project creates a moderate number of jobs with mixed quality.
    - *Example:* A fair number of jobs are sustained or created, but many are part-time or low-wage positions.
  - **7+:** The project creates or sustains a significant number of high-quality jobs.
    - *Example:* The development promises to sustain numerous well-paying, stable job opportunities, such as trades, manufacturing, etc.
  - **10:** The project creates a large number of high-quality jobs with strong career prospects and benefits.
    - *Example:* Detailed employment plans show significant, sustained job creation with excellent working conditions and benefits.
- **Rater Comments:**

## 8. Developer's Public Subsidy Needs

**Description:** This criterion assesses the justification for the developer's need for public subsidy. It is important to ensure that public funds are used effectively and that the subsidy is necessary for the project's success.

- **Rating (1-10):**
  - **1-3:** The need for public subsidy is poorly justified.
    - *Example:* The developer has not clearly demonstrated the necessity of the subsidy.
  - **4-6:** The need for subsidy is moderately justified with some analysis.
    - *Example:* There is some evidence supporting the subsidy need, but it lacks depth.
  - **7+:** The need for public subsidy is clearly justified with thorough analysis.
    - *Example:* Detailed market analysis and financial documentation strongly support the necessity of the subsidy.



- **10:** The subsidy need is exceptionally well-justified, with extensive analysis and community support.
  - *Example:* Multiple comprehensive studies and community endorsements back the need for the subsidy.

## 9. Assurances and Guarantees

**Description:** This criterion looks at the assurances and guarantees provided by the developer to ensure the project will proceed as planned. Strong guarantees are crucial for mitigating risks and ensuring project success.

- **Rating (1-10):**
  - **1-3:** Few or no assurances that the development will proceed as planned.
    - *Example:* The developer provides little commitment or guarantees.
  - **4-6:** Some assurances and moderate guarantees.
    - *Example:* The developer offers some commitments, but they are not comprehensive.
  - **7+:** Strong assurances and guarantees that the development will proceed as planned.
    - *Example:* The developer provides detailed minimum assessed value (MAV) commitments or similar and guarantees for project completion with clawbacks.
  - **10:** The developer provides extensive assurances and legally binding guarantees that the project will proceed as planned, including performance bonds or other financial instruments.
    - *Example:* The project includes detailed, legally binding guarantees and performance bonds or personal guarantees to ensure completion.
- **Rater Comments:**

## 10. Documentation and Compliance

**Description:** Proper documentation and adherence to statutory requirements are necessary throughout the process. This includes conducting public hearings, adopting resolutions, and obtaining approvals from the Planning Commission and Joint Review Board. Ensuring full compliance with legal and procedural requirements helps maintain transparency and legitimacy.

- **Rating (1-10):**
  - **1-3:** Documentation is incomplete and compliance with statutory requirements is poor.
    - *Example:* Key documents are missing, and statutory requirements are not fully met.
  - **4-6:** Documentation is somewhat complete and compliance is moderate.
    - *Example:* Most required documents are provided, but some areas need improvement.
  - **7+:** Documentation is complete and compliance with statutory requirements is excellent.
    - *Example:* All required documents are thorough and statutory requirements are fully met.
  - **10:** Documentation and compliance are exemplary, with detailed records and full adherence to all statutory requirements, including conducting public hearings, adopting resolutions, and obtaining approvals from all necessary bodies.



- *Example:* The project has comprehensive, well-organized documentation and has met all legal and procedural requirements without any issues.
- **Rater Comments:**

**"But For" Test Evaluation Worksheet for the City of Whitewater and the CDA**

This worksheet is designed to help the City of Whitewater and the Community Development Authority (CDA) evaluate whether a proposed development project meets the "but for" standard for Tax Increment Financing (TIF) in Wisconsin. Each criterion is rated on a scale of 1 to 10. The total possible score is 100 points.

**Minimum Threshold**

A project must score at least 70 points out of 100 to be considered meeting the "but for" standard.

**Rater Information**

- **Rater Name:** \_\_\_\_\_
- **Date:** \_\_\_\_\_
- **Department:** \_\_\_\_\_

**Evaluation Criteria and Examples**

**Totals and Final Comments**

- **Total Score:** \_\_\_\_\_ / 100
- **Overall Rating:** \_\_\_\_\_
- **Recommendation:** \_\_\_\_\_

**Final Comments:**

---



---



---



---

Use this worksheet to ensure a thorough and balanced evaluation of each TIF project. A total score of 70 or above indicates that the project meets the "but for" standard and is likely a good candidate for TIF support.

For more detailed guidelines and the statutory requirements, you can refer to the [Wisconsin Department of Revenue's TIF Manual](#) and their [TIF Information page](#).





Rachelle Blich  
Director of Financial and  
Administrative Services  
P.O. Box 690  
Whitewater, WI 53190

Item 10.

Phone: (262) 473-1380

Email: [rblich@whitewater-wi.gov](mailto:rblich@whitewater-wi.gov)

October 22, 2024

To: Community Development Authority  
Taylor Zeinert, Economic Development Director

From: Rachelle Blich, Director of Finance and Administrative Services

Re: Savings in Relation to the Water Tower MOU

In 2022, the Water Utility entered into a Memorandum of Understanding with the CDA, agreeing to repay the CDA \$851,866 for the use of grant funding. However, the MOU was rescinded in August 2024 as the grant funding was issued to the City and not the CDA. A question was raised regarding the savings for ratepayers as a result. Had grant funds not been used and the water utility needed to borrow the funds, it would have incurred not only the principal amount but also an additional \$431,000 in interest costs over the 20-year life of the bond. The total savings to the ratepayers is approximately \$1.28 million dollars.





# CDA Agenda Item

Meeting Date:	November 21, 2024
Agenda Item:	Wind Up Rules
Staff Contact (name, email, phone):	Taylor Zeinert <a href="mailto:tzeinert@whitewater-wi.gov">tzeinert@whitewater-wi.gov</a> 262-473-1048

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

At the October 17, 2024 CDA meeting, the Board reviewed a draft of the Wind Up Rules. The body requested the following changes:

- Changing the two categories to Start Ups and Entrepreneurial Planning and Currently operating businesses over 6 months
- Adding verbiage to make it clear that the business must be in the City of Whitewater for a minimum of one year
- Adding verbiage to make it clear that the money is dispersed via pay go structure
- Adding verbiage that requires a business plan to be submitted
- Adding verbiage that states if you are the winner you are expected to produce an itemized list of wants to the office of ED within 30 days
- Remove all language related to salaries, specifically the expansion support language

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

- At the September 19, 2024 CDA meeting, the Board moved to direct staff to move forward with organizing a WindUp 2025 and to bring back a proposal for review at a future meeting for and approval by the Board.
- At the October 17, 2024 CDA Meeting, the Board directed staff to make changes to the Wind Up Rules.

**FINANCIAL IMPACT**  
(If none, state N/A)

N/A

**STAFF RECOMMENDATION**

Suggested motion: "I move to approve the Wind Up rules as presented"

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

- Draft of Proposed Rules





www.whitewater-wi.gov  
Telephone: 262-473-0148  
Fax: 262-222-5901

Office of Economic Development  
312 W. Whitewater St.  
Whitewater, WI 53190

Welcome to the Whitewater WindUp (WWUP) Business Plan Competition in the vibrant City of Whitewater! To ensure a fair and competitive environment, participants must meet the following eligibility criteria, categorized by *New Businesses* and *Established Businesses*:

**General Eligibility Criteria for All Participants**

- 1. **Age Requirement:**
  - o All participants must be at least 18 years of age.
- 2. **Participation in WindUp Workshops:**
  - o All participants must complete the WindUp Workshops. Virtual workshop options will be available for flexibility. Workshops are designed to provide insights and skills to enhance the development of your business plan.
- 3. **Business Location:**
  - o All participants must be willing to locate their business within the city limits of Whitewater, Wisconsin. Once located here the business must remain in the City Limits for a minimum of one year.
- 4. **Ethical and Legal Compliance:**
  - o WWUP ensures that all participants adhere to ethical business practices and comply with relevant laws to maintain the competition's integrity.
- 5. **Business Plan Submission:**
  - o All Participants must submit a business plan prior to entry
- 6. **Prize Money Distribution:**
  - o The WWUP finalist must submit an itemized list to the CDA Executive Director prior the finale.
  - o The WWUP winners or winner will receive the awarded funds in a pay go structure.

**Category 1: *New Businesses and Entrepreneurial Planning* (Businesses in operation for 6 months or less)**

- 1. **Product or Service Development:**
  - o Participants must have a business idea, product, or service that is either live or in beta form. This ensures they have progressed beyond the conceptual stage.
    - 1. *beta form* refers to a version that is beyond the initial concept or prototype stage and is ready for testing by a limited audience. It is typically functional, but not yet in its final version, allowing the business to collect feedback from real users or customers before a broader market launch. This phase is crucial for identifying bugs, gathering user feedback, and making improvements to ensure that the product or service is refined and ready for the official release.
- 2. **Eligible Reimbursements:**





www.whitewater-wi.gov  
Telephone: 262-473-0148  
Fax: 262-222-5901

Office of Economic Development  
312 W. Whitewater St.  
Whitewater, WI 53190

- **Rent or Down Payment Support:** Reimbursement is available for initial down payment or rent payments for up to the first year.
  - **Equipment Acquisition:** Grants and low-interest loans will assist with purchasing essential equipment.
  - **Legal, Accounting, or Other Services:** Reimbursement is available for all legal, accounting or similar services related to business planning or the early stages of creating or establishing a business.
  - **Building Renovation:** Financial support for necessary building renovations through grants, low-interest loans, or partnerships with local firms.
  - **Workspace Solutions:** Free or subsidized access to co-working spaces at the University Whitewater Innovation Center.
3. **Local Economic Impact:**
    - Priority may be given to businesses that demonstrate a positive impact on the local economy, such as job creation, relationships with local suppliers, and contributions to economic development.
  4. **Diversity, Inclusivity, and Community Representation:**
    - Preference may be given to businesses that serve diverse demographics, including women-owned, veteran-owned, and minority-owned businesses.
  5. **Financial Viability:**
    - New businesses should provide a basic financial plan, including revenue projections and a path to profitability.
  6. **Innovation and Community Engagement:**
    - New businesses are encouraged to showcase innovative ideas or solutions and a commitment to engaging with the local community.

**Category 2: *Established Businesses* (Businesses in operation for more than 6 months)**

1. **Operational Status:**
  - Participants must have a business that has been in operation for at least three years with an established customer base or market presence.
2. **Eligible Reimbursements:**
  - **Equipment Upgrades:** Grants and low-interest loans for upgrading or replacing essential equipment.
  - **Workforce Development:** Financial support for training programs aimed at enhancing the skills of existing staff or new hires.
  - **Workspace Solutions:** Established businesses can access co-working or expansion space at the University Whitewater Innovation Center.
3. **Local Economic Impact:**
  - Established businesses are evaluated on their contributions to local employment, economic growth, and investment in the Whitewater community.





[www.whitewater-wi.gov](http://www.whitewater-wi.gov)  
Telephone: 262-473-0148  
Fax: 262-222-5901

Office of Economic Development  
312 W. Whitewater St.  
Whitewater, WI 53190

- 4. **Diversity, Inclusivity, and Community Representation:**
  - Businesses that promote diversity, hire from underrepresented groups, and serve the community will be prioritized.
- 5. **Financial Stability:**
  - Established businesses must provide evidence of financial stability, such as current financial statements and a history of revenue growth.
- 6. **Scalability and Growth Potential:**
  - WWUP encourages businesses with clear plans for scaling up operations and expanding their market reach.
- 7. **Innovation and Market Differentiation:**
  - Established businesses should highlight their innovative practices, unique market positioning, and contributions to the broader industry.

DRAFT





# CDA Agenda Item

Meeting Date:	November 21, 2024
Agenda Item:	CDA Rules of Procedure Handbook – Review & Discussion
Staff Contact (name, email, phone):	Taylor Zeinert <a href="mailto:tzeinert@whitewater-wi.gov">tzeinert@whitewater-wi.gov</a> 262-473-0148

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

At a previous CDA Meeting, the Board began discussions regarding review and possible updates to the CDA Rules of Procedure Handbook. Due to the lengthy nature of the Handbook, EDD Zeinert is bringing review and discussion of the Handbook back to the Board in segments of 10 pages at a time. Pages 1-10 (of 48) are presented for review and discussion along with this Memo.

**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)

- Redlined Draft of Pages 1-10 (of 48) of the CDA Rules and Procedure Handbook..



Table of Contents

- 1. OVERVIEW OF COMMUNITY ECONOMIC DEVELOPMENT.....33
- 2. WHITEWATER CDA MISSION .....33
- 3. POLICY STATEMENT .....33
- 4. CREATION BY CHARTER ORDINANCE .....44
- 5. DEFINITION.....44
- 6. GENERAL RULES BY STATUTE, ORDINANCE, OR RESOLUTION .....44
- 7. WHITEWATER CDA GOVERNANCE .....54
- 8. WHITEWATER CDA POWERS, PURPOSE, DUTIES, AND AUTHORITY .....55
- 9. COMMISSIONER APPOINTMENTS, COMPOSITION, OCCURRENCE AND TERM .....77
- 10. COMMISSIONER VACANCIES .....88
- 11. COMMISSIONER COMPENSATION AND REIMBURSEMENT .....99
- 12. COMMISSIONER ROLES .....99
- 13. RESPONSIBILITIES AND EFFECTIVENESS OF COMMISSIONERS.....1010
- 14. DISCOVERY .....1212
- 15. COMMISSIONERS SHOULD NOT:.....1212
- 16. COMMISSIONER’S FIDUCIARY DUTIES (Appendix E) .....1414
- 17. COMMISSIONER D & O INSURANCE.....1414
- 18. NON-DISCLOSURE AGREEMENT .....1514
- 19. COMMISSIONER’S CODE OF ETHICS (Appendix G) .....1515
- 20. REMOVAL OF COMMISSIONER.....1616
- 21. COMMISSION MEETINGS.....1616
- 22. MEETING DEVICES.....1919
- 23. BALLOTS, VOTES, PUBLIC COMMENTS, APPEARANCE, MEETING CONDUCT, ATTENDANCE, RECORDS, MINUTES .....2020
- 24. DECISIONS .....2121
- 25. WHITEWATER CDA PERSONNEL .....2121
- 26. EFFECTIVE BOARD & STAFF RELATIONS .....2222
- 27. COMMUNICATING WITH THE PUBLIC .....2323
- 28. MUNICIPAL LIAISONS.....2525
- 29. OUTSIDE ASSISTANCE .....2525
- 30. FISCAL AFFAIRS AND FINANCIAL OVERSIGHT .....2525
- 31. WHITEWATER CDA OPERATING BUDGET.....2625
- 32. WHITEWATER CDA ANNUAL REPORT .....2626
- 33. AUTHORIZATION.....2626

Formatted: Indent: Left: 0.15", Hanging: 0.31"



34. EVIDENCE OF AUTHORITY.....2626

35. SEVERABILITY .....2626

36. AMENDMENT OF BY-LAWS AND RULES OF PROCEDURES .....2626

38. CONCLUSION .....2727

39. REFERENCES .....2828

**APPENDIX—2929**

AMENDMENTS TO THIS DOCUMENT (IN ORDER OF MOST RECENT).....3039

**REPOSITORY.....3131**

**HISTORY OF THE HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY.....3232**

**CDA POLICIES.....3536**

**POLICY: TRANSFERS OF RESIDUAL EQUITY.....3536**

**POLICY: RELATIONSHIP BETWEEN THE CDA AND THE INNOVATION CENTER.....3536**

**POLICY: FDIC RULES.....3536**

**POLICY: REPAYMENT OF 2021 CDBG CLOSEOUT PROGRAM FUNDS.....3536**

**POLICY: GRANTING CDA DIRECTOR ACCESS TO ALL FINANCIAL RECORDS.....3636**

**POLICY: REAL PROPERTY POLICY.....3636**

CDA PROGRAMS .....3737

FINANCIAL AWARDS .....3938

CDA RESOLUTION TRACKING.....4039

Formatted: TOC 2

Formatted: Font: Bold

**EXHIBITS**

- EXHIBIT A - Council Resolution & Charter Ordinances
- EXHIBIT B - Johnson Block - Fiduciary Duties: What Your Commissioners Need to Know
- EXHIBIT C -Whitewater Liability Policies
- EXHIBIT D -Chapter 7.04 - Code of Ethics
- EXHIBIT E - Chapter 2.62 - Transparency Ordinance
- EXHIBIT F - Policy 501.04.10 - Procurement Policy
- EXHIBIT G - Policy 501.01.2 - Real Property



## 1. OVERVIEW OF COMMUNITY ECONOMIC DEVELOPMENT

Community Economic Development (CED) or Local Economic Development (LED) is a community-driven process where communities identify and initiate their solutions to economic, social, and environmental issues to build healthy, economically viable communities. CED contains principles and goals based on a grassroots approach. This deliberate approach has a direct influence on the local economy and quality of life for its residents.

The CED process is committed to longitudinal methods that support the community. To be successful a Community Development Authority must be supported by key community leaders, social groups, organizations, its residents, and institutions that are committed to investing in the community for positive city-wide changes for the benefit of the entire community. Success depends on many things: people willing to get involved, knowledge and skill of the leaders, motivated and effective community and political leadership, community spirit, community culture, and entrepreneurial/community vitality and ingenuity.

## 2. WHITEWATER CDA MISSION

The Whitewater CDA is devoted to growing and sustaining our city's vibrant economy and providing an outstanding quality of life for its residences. We are dedicated to supporting the lifestyle needs, ideas, trends, and integrity of our 21-century community, workforce, and businesses through first-class assistance from the Whitewater CDA. The CDA is committed to maintaining an economically healthy community for its residents, and businesses while taking a steadfast approach to building an economically healthy community for its residents, and businesses while maintaining a steadfast focus on the quality of life for our citizens. The CDA focuses on quality business recruitment, retention, expansion, and housing.

## 3. POLICY STATEMENT

It is the policy of the Community Development Authority of the City of Whitewater (Whitewater CDA and/or CDA) to promote business sustainability and growth, housing and community development, and increased tax base throughout the entire City of Whitewater. In addition, the CDA is responsible for: providing and retaining gainful employment opportunities for citizens of the City and its region; quality attainable housing; and stimulating the flow of investment capital into the City. Further, the CDA and Common Council work together for the creation and management of Tax Incremental Districts, the general economic health of the city by preventing and eliminating blight, substandard, and deteriorated areas and properties through the utilization of all means appropriate. This encourages well-planned, integrated, stable, safe,



and healthful neighborhoods, the provision of healthful homes, a decent living environment, and adequate places of employment for the people of the City of Whitewater and the region.

#### **4. CREATION BY CHARTER ORDINANCE**

In July 1983, the City of Whitewater, pursuant to §66.4325 of the Wisconsin Statutes (entitled, "Housing and Community Development Authorities"), created a housing and community authority, which is known as the "Community Development Authority of the City of Whitewater" (Whitewater CDA). The Whitewater CDA is deemed to be a separate body politic as outlined in §66.4325, Wisconsin Statutes, and may act as an agent of the city in exercising necessary public powers and having all the powers, duties, and functions conferred on housing authorities, redevelopment authorities, and housing and community development authorities by applicable law. (Whitewater, 1983) (Appendix A)

#### **5. DEFINITION**

By Wisconsin Statute §66.1335 the Community Development Authority of the City of Whitewater is a separate body politic for the purpose of carrying out blight elimination, slum clearance, urban renewal programs and projects, and housing projects. The city Ordinance creating the Housing and Community Development Authority also gives the Whitewater CDA authority to act as the agent of the city in planning and carrying out community development programs and activities approved by the City Manager and Common Council. The Community Development Authority of the City of Whitewater is authorized under the Federal Housing and Community Development Act of 1974 as an agent to perform all acts, except the development of the general plan of the city, which may be otherwise performed by the planning commission under Wisconsin Statutes §66.1105 (entitled, "Tax increment law"), §66.1301 (entitled, "Urban redevelopment") to §66.1329 (entitled, "Urban redevelopment; enforcement of duties"), §66.1331 (entitled, "Blighted area law") or §66.1337 (entitled, "Urban renewal"). (Legislature)

#### **6. GENERAL RULES BY STATUTE, ORDINANCE, OR RESOLUTION**

The Whitewater CDA shall be governed and controlled by: Statutes of the State of Wisconsin, and as the same may hereafter be amended; all ordinances of the City of Whitewater as they relate to the Whitewater CDA, and as such ordinances may hereafter be amended and adopted; and by the By-Laws and Rules of Procedure set forth herein. All provisions of the Wisconsin Statutes, ordinances, or resolutions of the City of Whitewater as may be enacted from time to time, shall take precedence over these By-Laws and Rules of Procedure.



## 7. WHITEWATER CDA GOVERNANCE

The Whitewater CDA is governed by a Board of Commissioners, for the economic benefit, and economic health of the entire City of Whitewater, its residents, and businesses. The Whitewater CDA is a separate body politic that operates at its discretion, except by statutory authority or identified matters that shall receive approval from the Common Council. The Whitewater CDA was created at the behest of the Common Council and operates for the welfare and benefit of the entire city.

## 8. WHITEWATER CDA POWERS, PURPOSE, DUTIES, AND AUTHORITY

**POWERS.** The Whitewater CDA shall have all powers, duties, and functions set out in Wis. Stat. §66.1201 (entitled “Housing authorities”) and §66.13333 (entitled “Blight elimination and slum clearance”) of the Wisconsin Statutes for housing and redevelopment authorities. As to all housing projects initiated by the Whitewater CDA, it shall proceed under §§66.1105 (entitled “Tax increment law”), 66.1301 (entitled “Urban redevelopment”) to 66.1329 (entitled “Urban redevelopment; enforcement of duties”), 66.1331 (entitled “Blighted area law”), 66.1333 (entitled “Blight elimination and slum clearance”) or 66.1337 (entitled “Urban renewal”) as determined appropriate by the Common Council on a project by project basis.

As to all Whitewater CDA programs and activities that are undertaken by the city under the Federal Housing and Community Development Act of 1974, the Whitewater CDA shall proceed under all applicable laws and ordinances not inconsistent with the laws of the State of Wisconsin. In addition, the Whitewater CDA shall act as agent of the City of Whitewater to perform all acts, except the development of the general plan of the city, which may otherwise be performed by the planning commission. Wisconsin Statutes §§66.1105 (entitled, “Tax increment law”), 66.1301 (entitled, “Urban redevelopment”) to 66.1329 (entitled, “Urban redevelopment; enforcement of duties”), 66.1331 (entitled, “Blighted area law”) or 66.1337 (entitled, “Urban renewal”). (Legislature).

**PURPOSE.** The Whitewater CDA is a municipal entity that strategizes to implement local initiatives and trends, address community topics and concerns, and pursue opportunities that support community-wide prosperity. We encourage residents, organizations, stakeholders, and the community to work together towards common goals. Our key functions are to support initiatives that foster affordable housing, household stability, entrepreneurship, innovation, business attraction, retention, and expansion, reinforce our vision, commit to our values, and carry out our mission.

**DUTIES.** The CDA shall exercise all powers conferred and perform all duties imposed by state statute, policies and/or local ordinances of the City of Whitewater. Further duties are to facilitate borrowing for infrastructure and acquisition costs related to redevelopment projects in the Tax Incremental Finance (TIF) Districts as well as reviewing and providing direction on specific redevelopment proposals in these areas. The CDA has the authority to sell and refinance debt relating to TIF Districts utilizing the issuance and sale of bonds.



**AUTHORITY.** The Whitewater CDA has the authority of Wisconsin Statute §66.1335. In addition to its statutory powers, the Whitewater CDA with Common Council approval is authorized, within the limits of funds available, and Common Council approval for such purposes, but are not limited, to:

1. Acquire land, buildings, or equipment.
2. Sell, lease, encumber, or retain and manage property acquired.
3. Issue bonds, incur debt, invest funds.
4. Hire third-party consultants.
5. Expenditure of funds over \$10,000 and expenditure of any funds not designated in a CDA account to follow city procurement process.
6. Exercise of eminent domain.
7. Amend, delete, or add to By-Laws and Rules of Procedures.
8. Prepare CDA budget for recommendation to Common Council.
9. Provide recommendations for inclusion in the City of Whitewater Comprehensive Plan and provide revisions.
10. Provide recommendations on redevelopment, and planning, and zoning.
11. Evaluate and prepare Tax Incremental District(s) (TID) project plans and financial projections. Prepare annual report of projections of TID expenditures, revenues, and other TID-related CDA programs or initiatives.
12. Prepare and implement Tax Increment District (TID) financial management guidelines.
13. Preparation and implementation of redevelopment assistance criteria, including the recommendation of developer agreements for specific projects.
14. Preparation and administration of the business and developer recruitment and retention assistance activities, as well as CDA-approved programs.
15. Act as City of Whitewater's Housing Authority.
16. The Whitewater CDA is a separate body-politic, which is integrated into the city's departmental structure. The CDA may call upon departmental support, board, commission, or agency of the City for assistance and cooperation in the performance of the Whitewater CDA's duties and functions. All-City departments, boards, commissions, and agencies are hereby authorized and directed to cooperate with and furnish assistance to the Whitewater CDA in the performance of the CDA's duties and functions.
17. Work with business, education, government, labor, and citizens to:
  - a. Retain and expand existing business and commercial enterprises within the City.
  - b. Recruit new businesses and encourage the expansion and diversification of business and commercial enterprises within the City to expand local employment opportunities and the tax base.
  - c. Foster and facilitate economic development activities through cooperative efforts with area organizations, adjoining municipalities, the county, and the state.
  - d. Assist new and existing businesses through programs and resources which facilitate quality growth and development within the City.
  - e. Publicize and promote the business, employment, residential, educational, and recreational opportunities available in the City.



- f. Foster, develop, and enhance a sense of community, a positive community image, and civic pride.
- 18. The Community Development Authority has the power to purchase and sell property with the consent of the City Council. With consent, the chair (or the chair's designee) shall have the power to sign all documents required for the purchase and sale of such property.
- 19. Prepare and periodically update an economic development plan and development strategy for use by the City Manager and Common Council. In formulating the said plan, the Whitewater CDA shall monitor and evaluate economic conditions in the City, identify economic problem areas, and prioritize any economic solutions identified.
- 20. Consider alternative approaches to improving economic deficiencies in the City in problem areas identified.
- 21. Recommend specific programs and projects to allocate available City resources among the elements of the City's economic development effort.
- 22. Recommend items for inclusion in the annual City budget to implement the development strategy adopted by the Common Council.

#### 9. COMMISSIONER APPOINTMENTS, COMPOSITION, OCCURRENCE AND TERM

Pursuant to the City of Whitewater Charter Ordinance No. 5 (Appendix B), the Whitewater CDA is required to follow Wisconsin Statutes which require the composition of seven (7) members to its Board. Members of the Whitewater CDA Board shall consist of seven resident persons having sufficient ability and experience in the fields of urban renewal, community development, and housing, as commissioners of the Whitewater CDA. These persons shall be known as Commissioners of the Whitewater CDA. (Council, Charter Ordinance No. #5, 1983) (Appendix B)

**APPOINTMENT.** Common Council of the City of Whitewater shall appoint seven (7) "resident persons having sufficient ability and experience in the field of urban renewal, community development, and housing, as commissioner of the CDA (§66.1335 (2))."

**CRITERIA FOR THE APPOINTMENT.** When considering applicants for appointment to the Whitewater CDA, the City manager will consult with the CDA Executive Director looking at a variety of factors that includes, but is not limited to the following:

1. **Availability:** Regular attendance at commission meetings is mandatory. If a commissioner member fails to attend three consecutive regular meetings or fails to attend at least three-fourths of the regular meetings during the preceding 12 months, s/he may be replaced.
2. **Training:** Economic Development 101 training for economic development commissioners. Commissioners must attend this course sometime within their first 6 months after appointment.
3. **Several Previous Terms (Incumbents):** No member of any commission (non-council member) can serve for more than one consecutive four (4) year term. If an applicant has fulfilled their first consecutive term, s/he must have been off said commission for one four (4) term before reapplying for an appointment. (§66.1335 (2b))."



4. **Knowledge and Life Experience:** Relevant life experience, whether personal or professional, can provide added value to the composition of a commission and is often viewed favorably in the selection process.
5. **References:** References are an important resource in helping to identify applicant strengths and weaknesses as part of the selection process
6. **Residency:** The Whitewater CDA requires residence within the municipal limits of the City of Whitewater.

**COMPOSITION.** Two (2) of the commissioners shall be members of the Common Council and shall serve during their term of office as Council members. Five (5) of the commissioners shall be resident members of the public, and shall serve 4 years or until their successor(s) is appointed and qualifies (§66.1335 (2b))." ((Council, Charter Ordinance No. #4, 1983) (Amended Charter Ordinance No. #4, 2021)).

**OCCURRENCE.** Individual commission appointments occur annually, typically at the first Common Council meeting following the Spring Election. However, due to unexpected vacancies or resignations, appointments can occur at any time throughout the year.

**TERM.** There are seven (7) seats on the Whitewater CDA Board of Commissioners. Two (2) Common Council members shall serve the Whitewater CDA Board, and are appointed annually during Common Council commission appointment. The two Common Council members may only serve during their term of Common Council office. Five (5) non-council members shall serve four (4) years and until their successors are appointed and qualified.

## 10. COMMISSIONER VACANCIES

**VACANCIES.** Vacancies on the board are never considered cause to delay program activities. On a seven-member Board, four Commissioners shall constitute a quorum to conduct business. The open seat shall be filled for the unexpired term and appointed during the normal selection period.

### The process for filling commission vacancies is as follows:

- Vacancies are announced via the City website, social media, and the official newspaper before any appointment being made.
- A standard application form shall be provided in electronic and hard copy for use by all applicants (including incumbents wishing to be reappointed).
- Once applications are received, they are compiled by the City Clerk and delivered to the City Manager and Common Council President for review.
- The Whitewater CDA president, Executive Director, and City Manager review applications and arrange for face-to-face meetings with applicants. If schedules do not permit a face-to-face meeting, this step can be completed by phone or web conference.
- The Whitewater CDA President, CDA Executive Director, and City manager convene to discuss applicants and select candidates for recommendation to



the Common Council. Recommended appointments are placed on the agenda for the next Common Council meeting for approval.

- The Common Council deliberates on the recommended appointments and approves or denies the appointments.
- Individuals who have been successfully appointed to a commission are then contacted by the City Manager's designee and a date is set for orientation.
- The new commission member attends a commission member orientation as soon as possible following appointment.

## 11. COMMISSIONER COMPENSATION AND REIMBURSEMENT

The Commissioners shall receive no compensation for their services, but shall be entitled to reimbursement for their actual and necessary expenses, including reasonable local travel expenses incurred in the discharge of their duties.

Commissioners must receive prior approval from the Whitewater CDA Board for their reimbursable activities. Wisconsin Statute §66.1335 (2)(d)

## 12. COMMISSIONER ROLES

**PRESIDING OFFICERS.** The presiding officer of the CDA shall be designated as the chairperson and shall be elected annually by the CDA. To act in the absence of the chairperson, the CDA shall elect a vice-chairperson to preside at meetings. The presiding officer shall preside at all meetings of the CDA and shall have the right to vote and make motions; shall rule on matters of procedure, subject to appeal from such rulings by proper motion; shall conduct the meetings in accordance with the rules of the by-laws and appropriate laws, shall have such powers and duties as may be necessary for the conduct of orderly meetings, and such other powers and duties as herein assigned to her/him, or as may be assigned to her/him.

Chairperson and vice-chairperson are voted on by the majority vote of the commissioners at the first meeting in April annually. The Community Development Director shall not be a commissioner of the Whitewater CDA but shall act as its Executive Director (ED).

The Chairperson is granted governance of the following accepted board practices:

- **Facilitator** – The Chairperson must be viewed as a facilitator, rather than a controller, of Board Meetings. He or she begins the meetings on time, directs the Board through the agenda, and attempts to adjourn the meeting on schedule. As the facilitator, the Chairperson/President ensures that all Commissioners have the opportunity for fair participation, attempts to make sure all sides are heard, and moves the Board to act on the issues.
- **Liaison** – The Chairperson must be able to communicate the Board's needs and concerns to the ED and vice versa. In addition, the Chairperson/President offers personal support and counsel to the ED and acts as his/her sounding board.



- **Team-builder** – The Chairperson/President must foster structure among Commissioners. When this cooperation is endangered, he or she must mediate, counsel, and discipline fellow commissioners to keep the team intact to achieve needed cooperation. The Chairperson must mediate so that all work is directed to the mission of the agency.

**VICE-CHAIRPERSON.** The Whitewater CDA shall elect a vice-chairperson to act in the absence of the Chairperson and preside at the meeting. The vice-chairperson shall have the right to vote and make motions; shall rule on matters of procedure, subject to appeal from such rulings by proper motion; shall conduct the meetings by these rules; shall have such powers and duties as may be necessary for the conduct of orderly meetings; and such other powers and duties as assigned to the Chairperson, or as may be assigned to the Chairperson.

In the event of absence of the Chair and Vice-Chair, the longest-tenured Commissioner serving on the Whitewater CDA in attendance shall preside over the meetings.

**TREASURER.** The Whitewater CDA does not elect to hold a seat for Treasurer. This task is fulfilled by the City Finance Director.

**SECRETARY.** The Executive Director or designee shall serve the Whitewater CDA as its secretary. These duties include handling agendas, minutes, correspondence, and clerical work of the Whitewater CDA; to keep accurate notes of all matters coming before the Whitewater CDA; to receive and file all communications, applications, requests, and any documents directed to the Whitewater CDA; to mark each document so received with the official filing stamp of the Whitewater CDA; to publish or mail, as the case may be, all notices and advertisements required by law or as directed by the Whitewater CDA; to prepare, post to the City website, and mail when applicable to each member of the Whitewater CDA not later than the **Friday-Monday** before the meeting, a completed board packet. The secretary may utilize such members of the City staff to accomplish these tasks.

**Example of roles**

OPERATION	BOARD ROLE	EXECUTIVE DIRECTOR ROLE
Day-to-Day Operations	No Role	Makes All Decisions
Budget	Approves	Develops & Recommends
Routine Monthly Expenditures	Monitors	Establishes & Carries Out
Development of Policy	Adopts & Monitors	Recommends & Carries Out
Billing, Credit, & Collections	Monitors	Recommends & Carries Out
Hires, Directs, & Evaluates Staff	Co-Approval	Recommendation to City Manager
Staff Grievances	Report to City Manager	None if pertains to ED, ED if other Staff
Staff Salaries	Co-Approval	Recommendation to City Manager
Evaluating Staff	Evaluates the Executive Director	Recommendation to City Manager





# CDA Agenda Item

Meeting Date:	October 17, 2024
Agenda Item:	EDD Update
Staff Contact (name, email, phone):	Taylor Zeinert <a href="mailto:tzeinert@whitewater-wi.gov">tzeinert@whitewater-wi.gov</a> 262-473-0148

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

The ED Office has been busy this month with the various projects and events:

- Staff completed Developer Meet & Greet
  - Any desired lots to be added to the Potential Development Map, please contact staff.
- Fall Food Truck Fest is set for September 13, 2025.
- Preparation for Business Roundtable has begun; Staff is hoping to have this completed in Q1, 2025.

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

N/A

**FINANCIAL IMPACT**  
(If none, state N/A)

N/A

**STAFF RECOMMENDATION**

N/A

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

-Developer Meet and Greet Flyer