



Whitewater CDA –Board of Directors-**Amended**  
Wednesday December 18, 2013  
5:00 PM  
Room 105  
Innovation Center  
1221 Innovation Drive  
Whitewater, WI 53190

## **Amended 12-15-2013 to add item #7**

1. Call to order and roll call.
2. **HEARING OF CITIZEN COMMENTS.** *No formal CDA Action will be taken during this meeting although issues raised may become a part of a future agenda. Items on the agenda may not be discussed at this time.*
3. Approval of agenda
4. Approval of Minutes
  - a. November 20, 2013
  - b. December 16, 2013
5. Acceptance of Financial Statements
  - a. November, 2013
6. Consideration and discussion of TIF #4 status.
  - a. History
  - b. Current status
  - c. Projections
  - d. Relationship with Downtown Businesses

The meeting will recess at approximately 5:30 pm to allow for attendance at the 2013 Innovator's Hub Showcase.

The meeting will reconvene at approximately 6:30 pm to complete the meeting.

**Approval of Waiver of 72 hour notice per Whitewater's transparency ordinance.**

7. **Consideration and discussion of an extension of property acquisition date for DP Electronic Recycling regarding their April 1, 2013 note.**
8. Consideration and discussion of the establishment of a corporation to assist with equity investments under the Capital Catalyst Fund.
9. Consideration and discussion of proposed amendments to the Whitewater Seed Accelerator Fund Policy Manual.
10. Consideration and discussion of funding for the Spark Program.
11. Future agenda referrals.
12. Adjourn

*It is possible that a quorum of Common Council and Technology Park Board members may attend this meeting. Even if a quorum is present, no Common Council and/or Technology Park Board business will be conducted at this meeting. Anyone requiring special arrangements is asked to call the office of the City Manager/ City Clerk at least 24 hours prior to the meeting.*

**Amended 12-15-2013 to add item #7**

**Future Meeting Dates:**

<b>January 22, 2014</b>	<b>5:00 PM</b>	<b>Innovation Center</b>
<b>February 26, 2014</b>	<b>5:00 PM</b>	<b>Innovation Center</b>
<b>March 26, 2014</b>	<b>5:00 PM</b>	<b>Innovation Center</b>
<b>April 23, 2014</b>	<b>5:00PM</b>	<b>Innovation Center</b>
<b>May 28, 2014</b>	<b>5:00 PM</b>	<b>Innovation Center</b>

Whitewater Community Development  
Board of Directors  
Meeting Minutes  
11/20/2013

**1. Call to order and roll call.**

The meeting was called to order by Chairman Jeff Knight at 5:33pm. The meeting was held at the Innovation Center, Room 105, 1221 Innovation Drive, Whitewater, WI 53190.

Present: Allen, Henry, Kachel, Knight, Meyer, Singer, Winship

Absent: None

Also: Patrick Cannon, Cameron Clapper, Anna Schwarz

**2. Hearing of Citizen Comments**

None

**3. Approval of Agenda**

Move to Approve the Agenda as presented.

Allen (1); Winship (2)

Aye: All Via Acclamation (7)

Nay: None

**4. Approval of Minutes**

**a. October 23, 2013**

Move to Approve the Minutes as presented.

Winship (1); Allen (2)

Aye: All Via Voice Vote (7)

Nay: None

**5. Acceptance of Financial Statements**

**a. October, 2013**

Move to Accept the October, 2013 Financial Statements as presented.

Allen (1); Kachel (2)

Aye: All Via Acclamation (7)

Nay: None

**6. Presentation by Wisconsin Housing and Economic Development Authority regarding New Market Tax Credits (Members of the City Council, Plan Commission, and Technology Park Board have been invited to attend the meeting)**

Mr. Farshed Maltes, from the Wisconsin Housing and Economic Development Authority (WHEDA) made a presentation regarding the New Market Tax Credit program. This Federal program is administered by the State. It allows for a business to apply for and received Federal Tax Credits. This tax credits are available to the business over a period of years. The business can sell the credits to a third party to raise working capital for their operations.

The tax credits are now allowable for the entire City of Whitewater that lies within Walworth County. Previously, only a portion of the city was included in this allocation area.

A copy of the PowerPoint Presentation on "Wisconsin's 2013 New Markets Tax Credit and Participation Lending Programs" is attached.

**7. Adjourn into closed session per Wisconsin State Statutes 19.85(1)(e) "Deliberating or negotiating the purchase of public property, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session".**

- a. Consideration of awarding a Capital Catalyst Fund grant request for a manufacturing company to be located in the City of Whitewater. (Application 2013-5)
- b. Consideration of a Capital Catalyst Fund loan/equity/royalty request for a manufacturing company to be located in the City of Whitewater. (Application 2013-5)
- c. Consideration of a Capital Catalyst Fund loan/equity/royalty request for a manufacturing company to be located in the City of Whitewater. (Application 2013-6)
- d. Consideration of a CDBG RLF loan request for a manufacturing company located in the City of Whitewater.
- e. Update on negotiations with potential retail opportunities to be located in the City of Whitewater.
- f. Update on negotiations with potential housing opportunities to be located in the City of Whitewater.

Move to Adjourn into closed session and allow Patrick Cannon, Cameron Clapper, Anna Schwarz, and representatives from the various discussion items to remain in the closed session portion of the meeting.

Knight (1); Allen (2)

Aye: Allen, Henry, Kachel, Knight, Meyer, Singer, Winship

Nay: None

**8. Return to open session for possible action on closed session items.**

A motion was made to return to open session.

Singer (1); Kachel (2)

**Aye: All Via Acclamation (7)**

**Nay: None**

**Move to Approve:**

- 1. A motion was made to award a Capital Catalyst Fund grant in the amount of \$10,000 and to also award a Capital Catalyst Fund Royalty Investment in the amount of \$100,000 to Bomboard, LLC.**

**Singer (1); Winship (2)**

**Aye: Allen, Henry, Kachel, Knight, Meyer, Singer, Winship**

**Nay: None**

- 2. A motion was made to award a Capital Catalyst Royalty Investment for D.P. Electronics Recycling in the amount of \$50,000.**

**Singer (1); Winship (2)**

**Aye: Allen, Henry, Kachel, Meyer, Singer, Winship**

**Nay: None**

**Abstention: Knight**

- 3. A motion was made to award a CDBG RLF loan for iButtonLink in the amount of \$100,000. The loan will be over a 7 year period, and the payments for the initial six months will be deferred. The applicant must demonstrate projected job creation.**

**Singer (1); Kachel (2)**

**Aye: Allen, Henry, Kachel, Knight, Meyer, Singer, Winship**

**Nay: None**

- 9. Consideration and discussion of start-up program for potential innovation projects. Andrew Hoeft to present information on the topic.**

**This program will allow for new businesses to be able to begin exploring their respective ideas. The program is limited to 4 participants per semester.**

**A motion was made to recommend that the Spark Proposal from Andrew Hoeft and Dan Fink be included in the Whitewater CDA Capital Catalyst Fund grant request.**

**Winship (1); Singer (2)**

**Aye: Allen, Henry, Knight, Meyer, Singer, Winship**

**Nay: None**

**Abstention: Kachel**

- 10. Consideration and discussion of the establishment of a corporation to assist with equity investments under the Capital Catalyst Fund.**

Staff noted that they have been working with local Attorney Mark Olm on drafting documents for the creation of a new corporation that would be used to assist with equity investments for the CDA. Staff indicated that several key questions will need to be addressed by the CDA in order to complete the process.

A motion was made to direct Pat Cannon to meet with Mark Olm and prepare materials for the establishment of the corporation and bring materials to the next CDA Board of Directors meeting.

Singer (1); Meyer (2)

Aye: All Via Acclamation (7)

Nay: None

**11. Consideration and authorization to request a zoning ordinance amendment regarding directional signs in the B1 and B2 zoning districts.**

Staff noted that the current city ordinance limits the amount of signage for directional signs in the B1 and B2 zoning districts. The requested change would not increase the size of the signage but would allow for directional language to be seen from both directions.

A motion was made to direct the CDA to make the request of the zoning ordinance amendment regarding directional signs in the M1 and M2 zoning districts and not the B1 and B2 zoning districts.

Singer (1); Allen (2)

Aye: All Via Acclamation

Nay: None

**12. Future agenda referrals.**

None

**13. Adjourn**

A motion was made to adjourn the meeting.

Kachel (1); Winship (2)

Aye: All Via Acclamation (7)

Nay: None

Meeting Adjourned at 7:46pm

**Whitewater Community Development  
Board of Directors  
Special Meeting  
Meeting Minutes  
12/09/2013**

**1. Call to order and roll call.**

The meeting was called to order by Chairman Jeff Knight at 5:10pm. The meeting was held at the City of Whitewater Municipal Building, Community Room, 312 W. Whitewater St., Whitewater, WI 53190.

Present: Allen, Henry, Knight, Winship

Absent: Kachel, Meyer, Singer

Also: Pat Cannon, Cameron Clapper, Chris Mc Donell, Anna Schwarz

**2. HEARING OF CITIZEN COMMENTS**

None

**3. Approval of agenda**

A motion was made to approve the agenda as presented.

Allen (1); Winship (2)

Aye: All Via Acclamation (4)

Nay: None

**4. Consideration and discussion of submitting a grant request to the Wisconsin Economic Development Corporation (WEDC) for \$250,000 to fund the Capital Catalyst Fund.**

Chair Knight indicated that with the last actions of the CDA on November 20, 2013, the CDA has authorized the all the proceeds from the initial funding of the Capital Catalyst Fund (\$300,000). The second request is in the amount of \$250,000 which will require matching funds from the CDA.

After careful review a motion was made to approve the draft grant request with clerical changes and with the provision that the final draft be shared with Chairman Jeff Knight and that the final, approved draft be sent to WEDC as soon as possible.

Winship (1); Henry (2)

Aye: Allen, Henry, Knight, Winship

Nay: None

**5. Future agenda referrals.**

A request was made to include information about TID 4 and the Outdoor Seating Project at the next CDA meeting.

**6. Adjourn**

A motion was made to adjourn the meeting.

Allen (1); Winship (2)

Aye: All Via Acclamation

Nay: None

The meeting was adjourned at 5:15pm.

**CITY OF WHITEWATER  
BALANCE SHEET  
NOVEMBER 30, 2013**

**CDA FUND**

	BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
<u>ASSETS</u>				
900-11100 CASH	26,484.26	( 1,207.45)	( 10,846.64)	15,637.62
900-11200 GENERAL CHECKING-1ST-100-722	20,629.60	.99	129.25	20,758.85
900-11300 INVESTMENTS	50,011.85	6.24	( 24,922.37)	25,089.48
900-18400 OFFICE EQUIPMENT	12,629.44	.00	.00	12,629.44
<b>TOTAL ASSETS</b>	<b>109,755.15</b>	<b>( 1,200.22)</b>	<b>( 35,639.76)</b>	<b>74,115.39</b>
<u>LIABILITIES AND EQUITY</u>				
<u>LIABILITIES</u>				
900-21100 VOUCHERS PAYABLE	6,229.20	.00	( 6,229.20)	.00
900-22000 ACCUM DEPR - EQUIPMENT	11,344.84	.00	.00	11,344.84
900-25101 DUE TO 910	15,711.04	.00	.00	15,711.04
<b>TOTAL LIABILITIES</b>	<b>33,285.08</b>	<b>.00</b>	<b>( 6,229.20)</b>	<b>27,055.88</b>
<u>FUND EQUITY</u>				
900-34300 PROPRIETARY CAPITAL	76,470.07	.00	.00	76,470.07
UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD	.00	( 1,200.22)	( 29,410.56)	( 29,410.56)
<b>BALANCE - CURRENT DATE</b>	<b>.00</b>	<b>( 1,200.22)</b>	<b>( 29,410.56)</b>	<b>( 29,410.56)</b>
<b>TOTAL FUND EQUITY</b>	<b>76,470.07</b>	<b>( 1,200.22)</b>	<b>( 29,410.56)</b>	<b>47,059.51</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>109,755.15</b>	<b>( 1,200.22)</b>	<b>( 35,639.76)</b>	<b>74,115.39</b>

**CITY OF WHITEWATER**  
**REVENUES WITH COMPARISON TO BUDGET**  
**FOR THE 11 MONTHS ENDING NOVEMBER 30, 2013**

**CDA FUND**

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET AMOUNT</u>	<u>VARIANCE</u>	<u>% OF BUDGET</u>
<u>MISCELLANEOUS REVENUE</u>					
900-48100-56 INTEREST INCOME	7.23	100.66	25.00	( 75.66)	402.6
900-48600-56 MISC INCOME	.00	106.22	.00	( 106.22)	.0
<b>TOTAL MISCELLANEOUS REVENUE</b>	<b>7.23</b>	<b>206.88</b>	<b>25.00</b>	<b>( 181.88)</b>	<b>827.5</b>
<u>OTHER FINANCING SOURCES</u>					
900-49264-56 TRANSFER-FD 910-CDA PROGRAMS	.00	.00	42,668.00	42,668.00	.0
900-49290-56 CITY TRANSFER INCOME	16,803.00	61,803.00	61,803.00	.00	100.0
900-49300-56 FUND BALANCE APPLIED	.00	.00	25,000.00	25,000.00	.0
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>16,803.00</b>	<b>61,803.00</b>	<b>129,471.00</b>	<b>67,668.00</b>	<b>47.7</b>
<b>TOTAL FUND REVENUE</b>	<b>16,810.23</b>	<b>62,009.88</b>	<b>129,496.00</b>	<b>67,486.12</b>	<b>47.9</b>

**CITY OF WHITEWATER**  
**EXPENDITURES WITH COMPARISON TO BUDGET**  
**FOR THE 11 MONTHS ENDING NOVEMBER 30, 2013**

**CDA FUND**

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET AMOUNT</u>	<u>VARIANCE</u>	<u>% OF BUDGET</u>	
<u>CDA</u>						
900-56500-115	INTERNSHIP PROGRAM-UWW	207.50	4,374.80	12,480.00	8,105.20	35.1
900-56500-151	FRINGE BENEFITS	16.43	650.05	986.00	335.95	65.9
900-56500-158	UNEMPLOYMENT COMPENSATION	.00	.00	5,000.00	5,000.00	.0
900-56500-210	PROFESSIONAL DEVELOPMENT	.00	28.80	1,500.00	1,471.20	1.9
900-56500-211	CONSULTANT FEES	7,715.00	57,758.02	71,400.00	13,641.98	80.9
900-56500-212	LEGAL SERVICES	4,973.50	6,823.50	5,000.00	( 1,823.50)	136.5
900-56500-219	AUDIT FEES	.00	550.00	1,000.00	450.00	55.0
900-56500-223	MARKETING	5,000.00	13,925.00	20,000.00	6,075.00	69.6
900-56500-224	COUNTY/REGIONAL ECON DEV	.00	6,137.00	5,755.00	( 382.00)	106.6
900-56500-225	MOBILE COMMUNICATIONS	.07	1.83	850.00	848.17	.2
900-56500-310	OFFICE SUPPLIES	24.05	216.91	800.00	583.09	27.1
900-56500-311	POSTAGE	73.90	225.53	650.00	424.47	34.7
900-56500-320	DUES	.00	345.00	800.00	455.00	43.1
900-56500-321	SUBSCRIPTIONS & BOOKS	.00	109.00	275.00	166.00	39.6
900-56500-330	TRAVEL EXPENSE	.00	.00	2,000.00	2,000.00	.0
900-56500-341	MISC EXPENSE	.00	275.00	1,000.00	725.00	27.5
	<b>TOTAL CDA</b>	<b>18,010.45</b>	<b>91,420.44</b>	<b>129,496.00</b>	<b>38,075.56</b>	<b>70.6</b>
	<b>TOTAL FUND EXPENDITURES</b>	<b>18,010.45</b>	<b>91,420.44</b>	<b>129,496.00</b>	<b>38,075.56</b>	<b>70.6</b>
	<b>NET REVENUE OVER EXPENDITURES</b>	<b>( 1,200.22)</b>	<b>( 29,410.56)</b>	<b>.00</b>	<b>29,410.56</b>	<b>.0</b>

**CITY OF WHITEWATER  
BALANCE SHEET  
NOVEMBER 30, 2013**

**CDA PROGRAMS FUND**

	BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
<u>ASSETS</u>				
910-11101	135,034.44	419.64	7,071.26	142,105.70
910-11102	251,662.98	2,296.65	26,694.11	278,357.09
910-11103	278,929.01	( 55.52)	( 168,664.37)	110,264.64
910-11104	14,816.59	.71	16.48	14,833.07
910-11105	57,233.99	102.01	( 27,414.86)	29,819.13
910-11106	2,698.42	.13	2.98	2,701.40
910-11110	.00	27.57	167,774.66	167,774.66
910-11303	619,010.05	.00	.00	619,010.05
910-11305	25,000.00	.00	.00	25,000.00
910-11310	575,000.00	.00	.00	575,000.00
910-14310	80,704.27	.00	( 1,353.93)	79,350.34
910-14331	.00	.00	41,360.00	41,360.00
910-14332	.00	.00	102,500.00	102,500.00
910-14337	9,121.56	( 254.20)	( 2,995.24)	6,126.32
910-14339	6,084.59	.00	( 6,084.59)	.00
910-14340	2,243.91	.00	( 2,243.91)	.00
910-14341	2,403.03	.00	( 2,403.03)	.00
910-14342	9,066.10	( 394.00)	( 4,642.58)	4,423.52
910-14345	146,325.77	.00	( 10,590.37)	135,735.40
910-14346	18,673.18	( 234.02)	( 2,531.84)	16,141.34
910-14347	132,153.98	( 4,899.75)	( 24,175.89)	107,978.09
910-14348	62,600.00	( 438.05)	( 4,315.57)	58,284.43
910-14349	.00	.00	34,600.00	34,600.00
910-14350	8,220.00	.00	.00	8,220.00
910-14351	10,203.84	.00	.00	10,203.84
910-14353	18,420.02	.00	.00	18,420.02
910-14356	8,062.00	.00	.00	8,062.00
910-14359	10,818.00	.00	.00	10,818.00
910-14361	11,000.90	.00	.00	11,000.90
910-14363	11,000.00	.00	.00	11,000.00
910-14366	12,504.15	.00	.00	12,504.15
910-14368	15,517.48	.00	.00	15,517.48
910-14371	1,900.00	( 100.00)	( 1,100.00)	800.00
910-14375	18,422.00	.00	.00	18,422.00
910-14378	34,448.00	.00	.00	34,448.00
910-14379	12,630.00	.00	.00	12,630.00
910-14380	90.00	.00	( 90.00)	.00
910-14381	7,595.00	.00	( 390.00)	7,205.00
910-14384	38,095.00	.00	( 300.00)	37,795.00
910-14385	.00	.00	863.08	863.08
910-14387	60.00	.00	25,455.00	25,515.00
910-14388	60.00	.00	( 60.00)	.00
910-14389	60.00	.00	( 60.00)	.00
910-14554	750,000.00	.00	.00	750,000.00
910-15208	15,711.04	.00	.00	15,711.04
910-15521	275,171.53	.00	.00	275,171.53
910-15531	6,087,994.00	.00	.00	6,087,994.00
<b>TOTAL ASSETS</b>	<b>9,776,744.83</b>	<b>( 3,528.83)</b>	<b>146,921.39</b>	<b>9,923,666.22</b>
<u>LIABILITIES AND EQUITY</u>				

**CITY OF WHITEWATER  
BALANCE SHEET  
NOVEMBER 30, 2013**

**CDA PROGRAMS FUND**

	BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
<u>LIABILITIES</u>				
910-21100 VOUCHERS PAYABLE	545.38	.00 (	545.38)	.00
910-21200 DEPOSITS	900.00	.00 (	900.00)	.00
910-22000 ACCUM DEPREC-BUILDING	121,759.88	.00	.00	121,759.88
<b>TOTAL LIABILITIES</b>	<b>123,205.26</b>	<b>.00 (</b>	<b>1,445.38)</b>	<b>121,759.88</b>
<u>FUND EQUITY</u>				
910-30110 CONTRIBUTED CAPITAL	456,815.37	.00	.00	456,815.37
910-34300 PROPRIETARY CAPITAL	8,559,759.27	.00	.00	8,559,759.27
910-35000 HOUSING LOANS RESERVE	174,316.71	.00	.00	174,316.71
910-35100 ECONOMIC DEV LOANS RESERVE	433,615.17	.00	.00	433,615.17
910-35160 FACADE LOANS RESERVE	29,033.05	.00	.00	29,033.05
UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD	.00 (	3,528.83)	148,366.77	148,366.77
<b>BALANCE - CURRENT DATE</b>	<b>.00 (</b>	<b>3,528.83)</b>	<b>148,366.77</b>	<b>148,366.77</b>
<b>TOTAL FUND EQUITY</b>	<b>9,653,539.57 (</b>	<b>3,528.83)</b>	<b>148,366.77</b>	<b>9,801,906.34</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>9,776,744.83 (</b>	<b>3,528.83)</b>	<b>146,921.39</b>	<b>9,923,666.22</b>

**CITY OF WHITEWATER**  
**REVENUES WITH COMPARISON TO BUDGET**  
**FOR THE 11 MONTHS ENDING NOVEMBER 30, 2013**

**CDA PROGRAMS FUND**

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>INTERGOVERNMENTAL REVENUE</u>					
910-43530-00 WEDA GRANT-CAP. CAT-SEED FUND	.00	150,000.00	.00	( 150,000.00)	.0
<b>TOTAL INTERGOVERNMENTAL REVENUE</b>	<b>.00</b>	<b>150,000.00</b>	<b>.00</b>	<b>( 150,000.00)</b>	<b>.0</b>
<u>MISCELLANEOUS REVENUE</u>					
910-48101-00 INTEREST INCOME-BUSINESS DEV	5.26	1,550.41	3,400.00	1,849.59	45.6
910-48102-00 INTEREST INCOME-ECONOMIC DEV	288.22	3,712.76	6,200.00	2,487.24	59.9
910-48103-00 INTEREST INCOME-FACADE	9.58	197.03	700.00	502.97	28.2
910-48104-00 INTEREST INCOME-HOUSING	2.01	46.49	125.00	78.51	37.2
910-48105-00 INTEREST INCOME-ED DEV	.71	16.48	20.00	3.52	82.4
910-48106-00 INTEREST INCOME-MORAINNE VIEW	.13	2.98	4.00	1.02	74.5
910-48108-00 INTEREST INCOME-SEED FUND	27.57	274.66	.00	( 274.66)	.0
910-48604-00 RENTAL INCOME-HOWARD ROAD	.00	5,600.00	8,400.00	2,800.00	66.7
910-48605-00 RENTAL INCOME-CROP LEASES	.00	14,790.00	6,090.00	( 8,700.00)	242.9
910-48645-00 LOAN INTEREST-LEARNING DEPOT	.00	1,336.07	3,240.00	1,903.93	41.2
910-48647-00 LOAN INT-TOPPERS-\$115,659	.00	55.25	103.00	47.75	53.6
910-48648-00 LOAN INT-TOPPERS-\$33,960	.00	23.75	9.00	( 14.75)	263.9
910-48649-00 FACADE LOAN-INT-TOPPERS-15K	.00	96.11	96.00	( .11)	100.1
910-48651-00 FACADE-INT-WALTON DIST-30K	16.06	278.14	360.00	81.86	77.3
910-48653-00 LOAN INT-RR WALTON-15K-HOTEL	22.05	319.74	392.00	72.26	81.6
910-48658-00 LOAN INT.-960 E. MILWAUKEE LLC	.00	3,539.73	4,494.00	954.27	78.8
910-48663-00 LOAN INT-BLACK SHEEP-1/20/12	54.58	642.76	697.00	54.24	92.2
910-48664-00 LOAN INT-DR PLASTICS-2/27/12	744.37	4,044.71	4,659.00	614.29	86.8
910-48665-00 LOAN INT-BIKEWISE-\$62,600-4%	195.74	2,022.33	2,409.00	386.67	84.0
910-48680-00 ADMINISTRATION FEE-LOANS	.00	3,860.00	2,000.00	( 1,860.00)	193.0
<b>TOTAL MISCELLANEOUS REVENUE</b>	<b>1,366.28</b>	<b>42,409.40</b>	<b>43,398.00</b>	<b>988.60</b>	<b>97.7</b>
<u>OTHER FINANCING SOURCES</u>					
910-49100-00 TRANSFER-TO EST SEED FUND	.00	150,000.00	.00	( 150,000.00)	.0
910-49300-56 FUND BALANCE APPLIED	.00	.00	( 31,898.00)	( 31,898.00)	.0
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>.00</b>	<b>150,000.00</b>	<b>( 31,898.00)</b>	<b>( 181,898.00)</b>	<b>470.3</b>
<b>TOTAL FUND REVENUE</b>	<b>1,366.28</b>	<b>342,409.40</b>	<b>11,500.00</b>	<b>( 330,909.40)</b>	<b>2977.5</b>

**CITY OF WHITEWATER**  
**EXPENDITURES WITH COMPARISON TO BUDGET**  
**FOR THE 11 MONTHS ENDING NOVEMBER 30, 2013**

**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	4,834.33	10,563.33	5,000.00	( 5,563.33)	211.3
910-56500-295 ADMINISTRATIVE EXPENSE	.00	.25	5,000.00	4,999.75	.0
910-56500-404 HOUSING LOANS	.00	3,143.27	1,000.00	( 2,143.27)	314.3
910-56500-408 RENTAL EXPENSES	60.78	335.78	500.00	164.22	67.2
910-56500-450 CAPITAL CATALYST-SEED FD GRTS	.00	30,000.00	.00	( 30,000.00)	.0
910-56500-550 TRANS-CAP,CAT-SEED FD-ASSOC BK	.00	150,000.00	.00	( 150,000.00)	.0
TOTAL CDA PROGRAMS	<u>4,895.11</u>	<u>194,042.63</u>	<u>11,500.00</u>	<u>( 182,542.63)</u>	<u>1687.3</u>
TOTAL FUND EXPENDITURES	<u>4,895.11</u>	<u>194,042.63</u>	<u>11,500.00</u>	<u>( 182,542.63)</u>	<u>1687.3</u>
NET REVENUE OVER EXPENDITURES	<u>( 3,528.83)</u>	<u>148,366.77</u>	<u>.00</u>	<u>( 148,366.77)</u>	<u>.0</u>

ECONOMIC DEVELOPMENT CLIENT	Original Loan		October 31, 2013		November 30, 2013		Current
	AMOUNT	BALANCE	PRINCIPAL	INTEREST	TOTAL	BALANCE	
DR Plastics-2/24/12	\$153,235.00	\$112,877.84	\$4,899.75	\$744.37	\$5,644.12	\$107,978.09	N-thru July
Toppers-115k	\$115,659.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	FINAL-4/28/13
Toppers-33k	\$33,960.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	FINAL-4/28/13
Walton/Learning Depot	\$101,925.00	\$79,350.34	\$0.00	\$0.00	\$0.00	\$79,350.34	current
Walton Rental-Hotel	\$15,000.00	6,380.51	\$254.20	\$22.05	\$276.25	\$6,126.31	current
960 East Milwaukee	\$204,611.00	\$135,735.40	\$0.00	\$0.00	\$0.00	\$135,735.40	current
Black Sheep-1/20/2012	\$21,114.00	\$16,375.36	\$234.02	\$54.58	\$288.60	\$16,141.34	current
Blkwise-12/27/2012	\$62,600.00	\$58,722.48	\$438.05	\$195.74	\$633.79	\$58,284.43	current
Sweetspot-7-29-13-NEW	\$41,360.00	\$41,360.00	\$0.00	\$0.00	\$0.00	\$41,360.00	first payment due-8/2014
<b>TOTALS</b>	<b>\$749,464.00</b>	<b>\$450,601.93</b>	<b>\$5,826.02</b>	<b>\$1,016.74</b>	<b>\$6,842.76</b>	<b>\$444,975.91</b>	

UDAG-BUSINESS DEV CLIENT	Original Loan		October 31, 2013		November 30, 2013		Current
	AMOUNT	BALANCE	PRINCIPAL	INTEREST	TOTAL	BALANCE	
DP Electronic Recycling-3/27/13	\$34,600.00	\$34,600.00	\$0.00	\$0.00	\$0.00	\$34,600.00	Y
Slipsream-8/29/13	\$102,500.00	\$102,500.00	\$0.00	\$0.00	\$0.00	\$102,500.00	Y
<b>TOTALS</b>	<b>\$137,100.00</b>	<b>\$137,100.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$137,100.00</b>	

FAÇADE CLIENT	Original Loan		October 31, 2013		November 30, 2013		Current
	AMOUNT	BALANCE	PRINCIPAL	INTEREST	TOTAL	BALANCE	
Walton Distributing	\$30,000.00	\$4,817.51	\$394.00	\$16.06	\$410.06	\$4,423.51	Current-thru November
Toppers (Nov 1 Annual)	\$15,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	Paid Off in October
<b>TOTALS</b>	<b>\$45,000.00</b>	<b>\$4,817.51</b>	<b>\$394.00</b>	<b>\$16.06</b>	<b>\$410.06</b>	<b>\$4,423.51</b>	

HOUSING CLIENT	Original Loan		October 31, 2013		November 30, 2013		Loan Type
	AMOUNT	BALANCE	PRINCIPAL	INTEREST	TOTAL	BALANCE	
A8416	\$10,203.84	\$10,203.84	\$0.00	\$0.00	\$0.00	\$10,203.84	0-deferred
B935	\$18,420.02	\$18,420.02	\$0.00	\$0.00	\$0.00	\$18,420.02	0-deferred
B0803-0901	\$34,448.00	\$34,448.00	\$0.00	\$0.00	\$0.00	\$34,448.00	0-deferred
C021	\$15,517.48	\$15,517.48	\$0.00	\$0.00	\$0.00	\$15,517.48	0-deferred
C932	\$8,062.00	\$8,062.00	\$0.00	\$0.00	\$0.00	\$8,062.00	0-deferred
G0107	\$8,000.00	\$900.00	\$100.00	\$0.00	\$100.00	\$800.00	0%-Monthly
HO #1	\$0.00	\$12,630.00	\$0.00	\$0.00	\$0.00	\$12,630.00	IN PROCESS
HO #2	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	No Loan-Written off
HO #3	\$0.00	\$7,205.00	\$0.00	\$0.00	\$0.00	\$7,205.00	0-deferred
HO #4	\$0.00	\$37,795.00	\$0.00	\$0.00	\$0.00	\$37,795.00	0-deferred
HO #7	\$0.00	\$25,515.00	\$0.00	\$0.00	\$0.00	\$25,515.00	IN PROCESS
HO #6	\$60.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	No Loan-Written off
HO #9	\$60.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	No Loan-Written off
HO #10	\$60.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	No Loan-Written off
J8802	\$10,818.00	\$10,818.00	\$0.00	\$0.00	\$0.00	\$10,818.00	0-deferred
M8501	\$10,621.42	\$11,000.90	\$0.00	\$0.00	\$0.00	\$11,000.90	0-deferred
M0301	\$8,220.00	\$8,220.00	\$0.00	\$0.00	\$0.00	\$8,220.00	0-deferred
M0801	\$18,422.00	\$18,422.00	\$0.00	\$0.00	\$0.00	\$18,422.00	0-deferred
P954	\$11,000.00	\$11,000.00	\$0.00	\$0.00	\$0.00	\$11,000.00	0-deferred
V902	\$12,504.15	\$12,504.15	\$0.00	\$0.00	\$0.00	\$12,504.15	0-deferred
<b>TOTALS</b>	<b>\$166,416.91</b>	<b>\$242,661.39</b>	<b>\$100.00</b>	<b>\$0.00</b>	<b>\$100.00</b>	<b>\$242,661.39</b>	

CITY OF WHITEWATER  
COMMUNITY DEVELOPMENT AUTHORITY  
INVESTMENT SCHEDULE

FUND	BANK	ORIG DATE	DUE DATE	TERM	AMOUNT	INT RATE	NUMBER	NOTES
Facade-Loan	First Citizens	07/24/2012	01/22/2013	182-days	\$25,000.00	0.45%	3307054	Replaces 3306791
Facade Loan	First Citizens	01/22/2013	01/22/2014	365 days	\$25,000.00	0.50%	3308087	Replaces 3307054
<b>TOTAL</b>					<b>\$25,000.00</b>			

General-Investments-Fund 900	Associated			Daily rate	\$25,089.48	0.15%		
SEED FUND-910-UDAG	Associated			Daily rate	\$167,747.08	0.20%		
<b>TOTAL</b>					<b>\$192,836.57</b>			

Business Development	Commercial	12/12/2012	12/19/2013	364 days	\$175,000.00	0.50%	210312	replaces 209902
Business Development	Commercial	09/02/2012	01/01/2013	182-days	\$100,000.00	0.45%	209893	replaces 209646
Business Development	Commercial	02/02/2012	02/06/2013	366-days	\$100,000.00	0.70%	209646	replaces 209893
Business Development	Commercial	02/05/2013	02/05/2014	365 days	\$100,000.00	0.50%	210376	replaces 209845
Business Development	First Citizens	08/23/2012	02/21/2013	182-days	\$200,000.00	0.45%	3307354	replaces 3307088
Business Development	First Citizens	02/21/2013	02/21/2014	365 days	\$200,000.00	0.45%	3308110	replaces 3307354
Business Development	Commercial	01/31/2013	01/31/2014	364 days	\$100,000.00	0.50%	210373	replaces 209993
<b>TOTAL</b>					<b>\$575,000.00</b>			

Economic Development Loan	First Citizens	11/08/2012	11/08/2013	12 months	\$50,000.00	0.55%	3308022	replaces 3307057
Economic Development Loan	First Citizens	06/26/2012	06/26/2013	12 months	\$162,100.00	0.60%	3307468	RENEWED
Economic Development Loan	First Citizens	05/25/2013	05/25/2014	12 months	\$152,100.00	0.50%	3308214	RENEWED
Economic Development Loan	Commercial	03/29/2012	03/28/2013	364-days	\$81,010.05	0.65%	209758	replaces 209862
Economic Development Loan	Commercial	03/28/2013	03/27/2014	364 days	\$81,910.05	0.50%	210466	replaces 209758
Economic Development Loan	First Citizens	06/19/2013	06/19/2014	365 days	\$60,000.00	0.45%	3308253	replaces 3306522
Economic Development Loan	First Citizens	06/19/2012	06/19/2013	365-days	\$60,000.00	0.60%	3308523	replaces 3306522
Economic Development Loan	Commercial	08/02/2012	01/31/2013	182-days	\$100,000.00	0.46%	209994	replaces 209644
Economic Development Loan	Commercial	02/02/2012	02/02/2013	369-days	\$100,000.00	0.70%	209643	replaces 209997
Economic Development Loan	Commercial	02/05/2013	02/05/2014	365 days	\$100,000.00	0.50%	210377	replaces 209643
Economic Development Loan	First Citizens	10/09/2012	10/09/2013	12 months	\$75,000.00	0.60%	3307408	replaces 3306838
Economic Development Loan	First Citizens	10/09/2013	04/09/2015	18 months	\$75,000.00	0.55%	3308371	replaces 3307408
Economic Development Loan	Commercial	01/31/2013	01/31/2014	364 days	\$100,000.00	0.50%	210372	replaces 209994
<b>TOTAL</b>					<b>\$619,010.05</b>			

**TOTALS BY FUND**  
 FUND 900 \$25,089.48  
 FUND 910 \$1,386,757.14  
 Total: \$1,411,846.62

**CITY OF WHITEWATER**  
**REVENUES WITH COMPARISON TO BUDGET**  
**FOR THE 11 MONTHS ENDING NOVEMBER 30, 2013**

**TID DISTRICT #4 FUND**

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<b><u>TAXES</u></b>					
440-41110-57	PROPERTY TAX INCREMENT	.00	1,643,105.06	1,643,105.00	( .06) 100.0
440-41320-57	PILOT/DEVELOPER'S AGREEMENTS	.00	92,718.08	310,648.00	217,929.92 29.9
440-41322-57	PILOT-INNOVATION CTR-FD 920	.00	35,000.00	.00	( 35,000.00) .0
<b>TOTAL TAXES</b>		<b>.00</b>	<b>1,770,823.14</b>	<b>1,953,753.00</b>	<b>182,929.86 90.6</b>
<b><u>INTERGOVERNMENTAL REVENUE</u></b>					
440-43580-57	PECFA GRANT REVENUE	.00	11,363.70	.00	( 11,363.70) .0
440-43600-57	BAB-INT-REIMB-FED-US TREASURY	( 26,091.25)	.00	57,156.00	57,156.00 .0
440-43660-57	EXEMPT COMPUTER AID-FR STATE	.00	26,455.00	18,523.00	( 7,932.00) 142.8
<b>TOTAL INTERGOVERNMENTAL REVENUE</b>		<b>( 26,091.25)</b>	<b>37,818.70</b>	<b>75,679.00</b>	<b>37,860.30 50.0</b>
<b><u>MISCELLANEOUS REVENUE</u></b>					
440-48100-57	INTEREST INCOME	44.80	542.85	100.00	( 442.85) 542.9
440-48200-57	RENTAL INCOME-DT	.00	( 1,800.00)	.00	1,800.00 .0
<b>TOTAL MISCELLANEOUS REVENUE</b>		<b>44.80</b>	<b>( 1,257.15)</b>	<b>100.00</b>	<b>1,357.15 ( 1257.2)</b>
<b><u>OTHER FINANCING SOURCES</u></b>					
440-49300-57	FUND BALANCE APPLIED	.00	.00	( 202,958.00)	( 202,958.00) .0
<b>TOTAL OTHER FINANCING SOURCES</b>		<b>.00</b>	<b>.00</b>	<b>( 202,958.00)</b>	<b>( 202,958.00) .0</b>
<b>TOTAL FUND REVENUE</b>		<b>( 26,046.45)</b>	<b>1,807,384.69</b>	<b>1,826,574.00</b>	<b>19,189.31 99.0</b>

**CITY OF WHITEWATER  
BALANCE SHEET  
NOVEMBER 30, 2013**

**TID DISTRICT #4 FUND**

	BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
<u>ASSETS</u>				
440-11100 CASH	252,969.16	( 109,551.25)	( 206,747.74)	46,221.42
440-11300 TID #4 INVESTMENTS	358,916.65	( 633,753.57)	41,744.48	400,661.13
440-12100 TAXES RECEIVABLE-CURRENT YR	1,643,105.07	116,612.52	( 1,526,492.55)	116,612.52
440-13280 A/R-PILOT/DEVELOPER'S	251,872.51	( 116,612.52)	( 251,872.51)	.00
440-14300 A/R-EDA GRANT	370,498.00	.00	( 370,498.00)	.00
440-15210 DUE FROM INNOVATION CTR-FD 920	42,000.00	.00	15,000.00	57,000.00
<b>TOTAL ASSETS</b>	<b>2,919,361.39</b>	<b>( 743,304.82)</b>	<b>( 2,298,866.32)</b>	<b>620,495.07</b>
<u>LIABILITIES AND EQUITY</u>				
<u>LIABILITIES</u>				
440-21100 ACCOUNTS PAYABLE	9,920.20	.00	( 9,920.20)	.00
440-25100 DUE TO GEN'L FUND	75,000.00	.00	( 75,000.00)	.00
440-26101 DEFERRED REVENUE	1,643,105.06	.00	( 1,643,105.06)	.00
440-26106 DEFERRED REVENUE-PILOTS	423,667.24	.00	( 92,718.08)	330,949.16
440-27700 ADVANCE FR CDA-FD 910-INN CTR	750,000.00	.00	.00	750,000.00
<b>TOTAL LIABILITIES</b>	<b>2,901,692.50</b>	<b>.00</b>	<b>( 1,820,743.34)</b>	<b>1,080,949.16</b>
<u>FUND EQUITY</u>				
440-34300 FUND BALANCE	17,668.89	.00	.00	17,668.89
UNAPPROPRIATED FUND BALANCE REVENUE OVER EXPENDITURES - YTD	.00	( 743,304.82)	( 478,122.98)	( 478,122.98)
<b>BALANCE - CURRENT DATE</b>	<b>.00</b>	<b>( 743,304.82)</b>	<b>( 478,122.98)</b>	<b>( 478,122.98)</b>
<b>TOTAL FUND EQUITY</b>	<b>17,668.89</b>	<b>( 743,304.82)</b>	<b>( 478,122.98)</b>	<b>( 460,454.09)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,919,361.39</b>	<b>( 743,304.82)</b>	<b>( 2,298,866.32)</b>	<b>620,495.07</b>

**CITY OF WHITEWATER**  
**EXPENDITURES WITH COMPARISON TO BUDGET**  
**FOR THE 11 MONTHS ENDING NOVEMBER 30, 2013**

**TID DISTRICT #4 FUND**

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET AMOUNT</u>	<u>VARIANCE</u>	<u>% OF BUDGET</u>
<b><u>TID #4 PROJECT EXPENSES</u></b>					
440-57663-219	.00	4,340.00	3,000.00	( 1,340.00)	144.7
440-57663-240	.00	150.00	150.00	.00	100.0
440-57663-298	.00	1,804.30	.00	( 1,804.30)	.0
440-57663-610	245,000.00	1,370,000.00	1,370,000.00	.00	100.0
440-57663-620	88,460.00	525,415.00	453,424.00	( 71,991.00)	115.9
440-57663-911	383,798.37	383,798.37	.00	( 383,798.37)	.0
<b>TOTAL TID #4 PROJECT EXPENSES</b>	<b>717,258.37</b>	<b>2,285,507.67</b>	<b>1,826,574.00</b>	<b>( 458,933.67)</b>	<b>125.1</b>
<b>TOTAL FUND EXPENDITURES</b>	<b>717,258.37</b>	<b>2,285,507.67</b>	<b>1,826,574.00</b>	<b>( 458,933.67)</b>	<b>125.1</b>
<b>NET REVENUE OVER EXPENDITURES</b>	<b>( 743,304.82)</b>	<b>( 478,122.98)</b>	<b>.00</b>	<b>478,122.98</b>	<b>.0</b>

***Project Plan  
for the Project Plan Amendment to  
Tax Incremental District No. 4  
Within the  
CITY OF WHITEWATER, WISCONSIN***



January 31, 2005 **[DRAFT]**

<i>Public Hearing Held:</i>	
<i>Adopted by the Plan Commission:</i>	
<i>Adopted by City Council:</i>	
<i>Anticipated approval by Joint Review Board:</i>	



**EHLERS**  
& ASSOCIATES INC

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# Tax Incremental District No. 4 Project Plan Amendment

## City of Whitewater Officials

### *City Council*

James D. Allen	Council Member
Jan Bilgen Craggs	Council Member
Kim Hixson	Council Member
Marilyn Kienbaum	Council Member
Michael Scott	Council Member
Jim Stewart	Council Member
Peter Uselman	Council Member

### *City Staff*

Kevin Brunner	City Manager
Gene Hackbarth	Community Development Director
Michele Smith	City Clerk
Doug Saubert	Finance Director
Theresa A. Lee	City Treasurer
Dean Fischer	Public Works Director
Harrison & McDonell	City Attorney

### *Plan Commission*

Bruce Parker	Building & Plumbing Inspector, Zoning & Building & Code Enforcement Director
Richard Gilpatrick	Member
Roni Telfer	Park Board Representative
Harriet Kaluva	Member
Kristine Zaballos	Member
Thomas Miller	Member
Jason Widenhoeft	Member
Marilyn Kienbaum	Council Representative

### ***Community Development Authority***

Tom Miller	Chair
Alan Marshall	Vice Chair
Jim Stewart	Member
Kim Hixson	Member
Tom Lange	Member
Rod Scherer	Member
Tom Otto	Member

### **Joint Review Board**

Walworth County  
Gateway Technical College District  
Whitewater School District  
City of Whitewater Representative  
Public Member

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**STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS**

The City of Whitewater created Tax Incremental District No. 4 (the "District") in 1990 under authority of Wisconsin §66.1105 primarily to promote the orderly development of the City. The addition, construction of streets and utilities were needed in order to provide incentives for industrial recruitment and growth, as well as to stimulate private sector development throughout the TID. The new development, which has occurred as a result of the projects undertaken within the District boundaries, has provided the City with additional tax base and provided employment opportunities.

The Project Plan and boundaries were amended in 1996. The primary purpose for the amendment was to expand the Whitewater Business Park in order to allow for continued industrial growth, stimulate job creation and tax base expansion and diversification. In addition, infrastructure needed to be constructed, business recruitment incentives needed to be put in place, and downtown improvements were needed to assist in retail and commercial expansion as well as blight elimination.

The City's original intent was to create a tax incremental district to assure that high quality industrial, distributor, and related private development would be located in the District. The goal was also to provide and preserve employment opportunities within the City, promote growth, and to provide rehabilitation and conservation of lands currently lacking adequate infrastructure, roadways, sewers, and platting consistent with the City's Master Plan. To date, the City has yet to complete all of the projects proposed in the original Project Plan. A summary of the projects found in the original Project Plan and first amendment, along with the related cost estimates, can be found in the original and amended Project Plan.

At this time, the City has determined that it would continue to benefit the overall community to expand its economic base. In order to promote additional development, the City is proposing a second amendment to the District to include additional projects. The proposed projects include, but are not limited to: Infrastructure including road improvements, water and sewer utility extensions, property acquisition, cash grants, professional services, finance, and other related costs. These proposed projects are estimated at approximately \$765,000. An updated project list with new projects that the City plans to implement can be found within this Plan Amendment. Any costs directly or indirectly related to the public works projects proposed in this Plan Amendment (this "Plan") are eligible to be paid with tax incremental revenues of the District.

With all projects the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for the public works, legal and other consultant fees, capitalized interest, testing, environmental studies, permits, updating City ordinances and plans, professional service costs, including, but not limited to, those costs incurred for architectural, planning, engineering, and legal advice and services, payments made in the discretion of the City Council which are found to be necessary or convenient to the Amendment of the District or the implementation of the Plan, judgements or claims for damages and other expenses are included as project costs.

In the event any of the public work projects are not reimbursable out of the special tax incremental finance fund under Wisconsin Statutes Section 66.1105, in the written opinion of nationally recognized bond counsel retained by the City for such purpose or a court of record so rules in a final order, then such project or projects shall be deleted herefrom and the remainder of the projects hereunder shall be deemed the entirety of the projects for purposes of this Plan.

**The City reserves the right to implement only those projects that remain economically viable as the Plan period proceeds.**

Project costs are any expenditures made or estimated to be made or monetary obligations incurred or estimated to be incurred by the City and outlined in this Plan. Project costs will be diminished by any income, special assessments, or other revenues including user fees or charges. To the extent the costs benefit the municipality outside the District, a proportionate share of the cost is not a project cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning is completed. Proration of costs in the Plan are also estimates and subject to change based upon implementation, future assessment policies, and user fee adjustments.

## 2

## ECONOMIC FEASIBILITY STUDY

The City of Whitewater, is located in both Jefferson and Walworth County, is a community of approximately 13,887 in population.

The charts and exhibits on the following pages demonstrate that the City will be able to obtain the funds necessary to implement the projects in this Plan and that the revenue from the District will be sufficient to pay for them. Charts I and II on the following page project, respectively, the City's equalized value, and the full faith and credit borrowing capacity of the City. Equalized valuation projections were made using two methods. The first projects the future valuation of the City using the average annual percentage of valuation growth experienced between 2000 and 2004. The second method projects the future valuation based upon the average annual increment between 2000 and 2004. This method is identified as the straight-line method. Chart II projects the general obligation borrowing capacity of the City utilizing the straight-line valuation projection and considering the existing debt of the City. The chart demonstrates that the City will have sufficient general obligation capacity during the project implementation period.

In addition to general obligation bonds, the City can issue mortgage revenue bonds to be repaid from revenues of the sewer and/or water systems, including revenues paid by the City that represent service of the system to the City. There is no statutory nor constitutional limitation on the amount of revenue bonds that can be issued, however, water rates are controlled by the Wisconsin Public Service Commission and the City must demonstrate to bond underwriters its ability to repay revenue debt with the assigned rates.

Special assessments may be levied against benefited properties to pay part of the street, curb, gutter, sewer and water extension costs. The City can issue special assessment B bonds pledging revenues from special assessment installments to the extent assessment payments are outstanding. These bonds are not counted against the City's constitutional debt limit.

The City also has the authority to issue Lease Revenue Bonds through a CDA should this financing vehicle be useful in accomplishing the objectives of the Plan. These obligations are secured by lease payments to be made by the City and are not to be counted against the City's general obligation debt limit.

Based on the economic characteristics and the financing resources of the City, all projects outlined in this Plan can be financed and are feasible.

**EQUALIZED VALUATION PROJECTION**

CHART I

|—PERCENTAGE METHOD—|

|—STRAIGHT LINE METHOD—|

**HISTORICAL DATA**

2000	374,811,500		2000	374,811,500	
2001	402,017,100		2001	402,017,100	
2002	433,566,200		2002	433,566,200	
2003	468,035,600		2003	468,035,600	
2004	498,043,900	8.22%	2004	498,043,900	8.22%

Straight Line Method Value Increment 530,808,100

**PROJECTED VALUATIONS**

2005	538,981,241	8.22%	2005	528,852,000	6.19%
2006	583,283,478	8.22%	2006	559,660,100	5.83%
2007	631,227,193	8.22%	2007	590,468,200	5.50%
2008	683,111,702	8.22%	2008	621,276,300	5.22%
2009	739,260,923	8.22%	2009	652,084,400	4.96%
2010	800,025,399	8.22%	2010	682,892,500	4.72%
2011	865,784,487	8.22%	2011	713,700,600	4.51%
2012	936,948,726	8.22%	2012	744,508,700	4.32%
2013	1,013,962,398	8.22%	2013	775,316,800	4.14%

CHART II

<u>BUDGET YEAR</u>	<u>EQUALIZED VALUE</u>	<u>GROSS DEBT LIMIT</u>	<u>NET BORROWING CAPACITY</u>
2005	498,043,900	24,902,195	24,902,195
2006	528,852,000	26,442,600	26,442,600
2007	559,660,100	27,983,005	27,983,005
2008	590,468,200	29,523,410	29,523,410
2009	621,276,300	31,063,815	31,063,815
2010	652,084,400	32,604,220	32,604,220
2011	682,892,500	34,144,625	34,144,625
2012	713,700,600	35,685,030	35,685,030
2013	744,508,700	37,225,435	37,225,435
2014	775,316,800	38,765,840	38,765,840
2015	806,124,900	40,306,245	40,306,245
2016	836,933,000	41,846,650	41,846,650
2017	867,741,100	43,387,055	43,387,055
2018	898,549,200	44,927,460	44,927,460
2019	929,357,300	46,467,865	46,467,865
2020	960,165,400	48,008,270	48,008,270
2021	990,973,500	49,548,675	49,548,675
2022	1,021,781,600	51,089,080	51,089,080
2023	1,052,589,700	52,629,485	52,629,485
2024	1,083,397,800	54,169,890	54,169,890
2025	1,114,205,900	55,710,295	55,710,295
2026	1,145,014,000	57,250,700	57,250,700
2027	1,175,822,100	58,791,105	58,791,105
2028	1,206,630,200	60,331,510	60,331,510
2029	1,237,438,300	61,871,915	61,871,915
2030	1,268,246,400	63,412,320	63,412,320
2031	1,299,054,500	64,952,725	64,952,725



## **PROJECTED REVENUE**

Exhibit 1 estimates the District revenues that will be available to retire the debt incurred to finance project costs.

Exhibit II summarizes the District's cash position throughout its potential life.

Exhibit 1 projects revenues sufficient to retire the debt proposed to finance all projects of the District. The pro forma is based on the following assumptions:

- ✓ The base value of the District is \$21,728,300
- ✓ Industrial tax base will be generated as of January 1 each year as follows:

Year	Amount
2005	\$2,742,100
2006	\$1,400,000

The equalized tax rate in 2005 is projected to be \$20.71 per thousand. It is projected to remain constant throughout the pro forma.

Valuations are projected to increase 1% each year because of inflation.

DEVELOPMENT ASSUMPTIONS



## City of Whitewater

TID # 4 Amendment

*Development Assumptions*

Const. Year	Bluff Street Project	133-139 Main Street	Annual Total
2005	2,200,000	542,100	2,742,100
2006	1,400,000		1,400,000
2007			0
2008			0
2009			0
<b>TOTAL</b>	<b>3,600,000</b>	<b>542,100</b>	<b>4,142,100</b>



**EHLERS**  
& ASSOCIATES, INC.

Exhibit 1

WISCONSIN TAX INCREMENT PRO FORMA



**City of Whitewater**

Proposed TID # 4 Amendment

**Projected Tax Increment**

Base Value <sup>1</sup>	1,258,600	Inflation Factor	1.00%
Proposed Redevelopment District		Tax Rate Adjustment Factor	0.00%

Construction Year	Valuation Year	Revenue Year	Inflation Increment	Value Added	Valuation Increment	Tax Rate	Tax Increment	
16	2005	2006	2007	12,586	2,742,100	2,754,686	20.71	57,050
17	2006	2007	2008	40,133	1,400,000	4,194,819	20.71	86,875
18	2007	2008	2009	54,534	0	4,249,353	20.71	88,004
19	2008	2009	2010	55,080	0	4,304,433	20.71	89,145
20	2009	2010	2011	55,630	0	4,360,063	20.71	90,297
21	2010	2011	2012	56,187	0	4,416,250	20.71	91,461
22	2011	2012	2013	56,748	0	4,472,998	20.71	92,636
23	2012	2013	2014	57,316	0	4,530,314	20.71	93,823
24	2013	2014	2015	57,889	0	4,588,203	20.71	95,022
25	2014	2015	2016	58,468	0	4,646,671	20.71	96,233
26	2015	2016	2017	59,053	0	4,705,724	20.71	97,456
27	2016	2017	2018	59,643	0	4,765,367	20.71	98,691
<b>Totals</b>					4,142,100			1,076,690



**NET PRESENT VALUE OF INCREMENT @ 4.0%**

**831,783**

NOTES:  
<sup>1</sup> Base Value from information provided by City Staff 01/26/05

## **CASH FLOW**

The following pro forma, Exhibit II, summarizes the District's cash position throughout its potential life. It shows revenues, expenses and balances by year.

Revenues include tax increments, interest income from Exhibit I, and interest earned investing year-end balances. The City reserves the right to use capitalized interest as a revenue source at the time of actual borrowing should circumstances warrant.

Expenditures represent payments for principal and interest payments on this District's share of debt issued to finance projects listed in this Plan.

The tentative proposed issue is identified as follows:

<u>Issue No.</u>	<u>Year</u>	<u>Description</u>	<u>Amount</u>
1	2005	G.O. Notes	\$805,000

Revenues anticipated will be sufficient to meet all obligations in a timely manner and produce a \$26,820 accumulated surplus by the year 2018.



Exhibit 2

TAX INCREMENT CASH FLOW PRO FORMA



**City of Whitewater**

Proposed TID # 4 Admendment

**Cash Flow Proforma**



**EHLERS**  
ASSOCIATES INC

Year	Revenues			TOTAL	Issue #1 (2005 Projects) G.O. Comm Dev Bonds Dated 5-1-05			TOTAL	Fund Balance		Principal Outstanding	Year
	Increment	Interest <sup>1</sup>	Cap. Int.		Prin (5/1)	Rate <sup>2</sup>	Interest		Annual	Cumulative		
2005	0	0	15,868	15,868	0	2.600%	15,868	15,868	0	0	805,000	2005
2006	0	0	31,736	31,736	0	2.820%	31,736	31,736	0	0	805,000	2006
2007	57,050	0	31,736	57,050	25,314	3.000%	31,736	31,736	25,314	25,314	805,000	2007
2008	86,875	0	31,736	87,128	55,392	3.180%	30,941	80,941	80,706	80,706	805,000	2008
2009	88,004	807	31,736	88,811	7,871	3.390%	29,298	79,298	88,577	88,577	755,000	2009
2010	89,145	886	31,736	90,031	10,733	3.570%	27,112	102,112	99,310	99,310	705,000	2010
2011	90,297	993	31,736	91,290	(10,822)	3.730%	24,374	99,374	88,488	88,488	630,000	2011
2012	91,461	885	31,736	92,345	(7,029)	3.860%	21,528	96,528	81,459	81,459	555,000	2012
2013	92,636	815	31,736	93,450	(3,078)	3.970%	18,592	93,592	78,381	78,381	480,000	2013
2014	93,823	784	31,736	94,607	1,015	4.080%	15,573	90,573	79,396	79,396	405,000	2014
2015	95,022	794	31,736	95,816	5,243	4.170%	11,958	84,639	84,639	330,000	2015	
2016	96,233	846	31,736	97,079	(14,879)	4.260%	7,637	111,958	69,760	69,760	230,000	2016
2017	97,456	698	31,736	98,153	(14,483)	4.320%	2,700	127,700	55,277	55,277	125,000	2017
2018	98,691	553	31,736	99,244	(28,456)		0	127,700	26,820	26,820	0	2018
<b>TOTALS</b>	<b>1,076,690</b>	<b>8,313</b>	<b>47,603</b>	<b>1,132,606</b>	<b>805,000</b>		<b>300,786</b>	<b>1,105,786</b>				

NOTES:  
<sup>1</sup> Interest earnings projection equal to 1% of preceding year's estimated fund balance.  
<sup>2</sup> Estimated Rates are 1-26-05 MMD "A" Scale +25 BP for 2005 issue

**3**

**DETAILED LIST OF NEW AND AMENDED PROJECT COSTS**

This Plan is not meant to be a budget nor an appropriation of funds for specific projects, but a framework with which to manage projects. All costs included in this Plan are estimates based on best information available. The City retains the right to delete projects or change the scope and/or timing of projects implemented as they are individually authorized by the City Council, without amending the Plan.

All costs are based on 2005 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2005 and the time of construction. The City also reserves the right to increase certain project costs to the extent others are reduced or not implemented, without amending this Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of this Plan.

**PROPOSED PROJECT ESTIMATES**

		<p><b>City of Whitewater</b></p> <p>Proposed TID # 4 Amendment</p> <p><i>Project Costs</i></p>
<b>PROJECT LIST</b>	<b>Phase I</b>	<b>2006</b>
Bluff Road-East Towne Market		
Road intersection acquisition and relocation		500,000
Subtotal		500,000
133-139 Main Street		
Property Acquisition		230,000
Subtotal		230,000
<b>TOTAL ESTIMATED PROJECT COSTS</b>		<b>730,000</b>
Financing Expenses		
Fees (Advisory, Bond Counsel, Discount, Rating)		31,077
Capitalized Interest (15 years)		47,603
Subtotal		78,680
<b>TOTAL CAPITAL REQUIRED</b>		<b>808,680</b>
Less Rounding/Interest Earnings		(3,680)
<b>NET BOND SIZE</b>		<b>805,000</b>



**4**

**A DESCRIPTION OF THE METHODS OF FINANCING AND THE TIME WHEN SUCH COSTS OR MONETARY OBLIGATIONS RELATED THERETO ARE TO BE INCURRED**

**PLAN IMPLEMENTATION**

Projects identified will provide the necessary governmental services to the area. A reasonable and orderly sequence is outlined in this Plan. However, public debt and expenditures should be made at the pace private development occurs to assure increment is sufficient to cover expenses.

The order in which public improvements are made should be adjusted in accordance with development and execution of development agreements. The City reserves the right to alter the implementation of this Plan to accomplish this objective.

Interest rates projected are based on current market conditions. Municipal interest rates are subject to constantly changing market conditions. In addition, other factors such as the loss of tax-exempt status of municipal bonds or broadening the purpose of future tax exempt bonds would affect market conditions. Actual interest expense will be determined once the methods of financing have been approved and securities issued.

The City reserves the right to use alternate financing solutions for the projects as they are implemented, including a revision to the maturity schedule and inclusion of capitalized interest as a project cost.

G.O.  
Issue No. 1  
Proposed Maturity Schedule  
\$805,000

The 2005 projects are anticipated to be financed with General Obligation Bonds to be issued under authority of Wisconsin Statutes Chapter 67. This issue will fund 2005 projects. The interest rate used for this is 4%.

YEAR	PRINCIPAL	INTEREST	TOTAL
2005	\$0	\$15,868	\$15,868
2006		31,736	\$31,736
2007		31,736	\$31,736
2008		31,736	\$31,736
2009	50,000	30,941	\$80,941
2010	50,000	29,298	\$79,298
2011	75,000	27,112	\$102,112
2012	75,000	24,374	\$99,374
2013	75,000	21,528	\$96,528
2014	75,000	18,592	\$93,592
2015	75,000	15,573	\$90,573
2016	100,000	11,958	\$111,958
2017	105,000	7,637	\$112,637
2018	125,000	2,700	\$127,700
<b>TOTAL</b>	<b>\$805,000</b>	<b>\$300,786</b>	<b>\$1,105,786</b>

**5**

**MAPS SHOWING EXISTING USES AND CONDITIONS, AND PROPOSED PROJECTS AND IMPROVEMENTS**

See the Maps in the Original Creation Project Plan from 1990 and the Amendment of Boundaries and Project Plan from 1996.

**6**

**DISTRICT BOUNDARIES**

There will be no change to District boundaries as a result of this Plan.

**7**

**PROPOSED CHANGES IN ZONING ORDINANCES**

The City does not anticipate the need for any changes to its zoning ordinances in conjunction with this Plan.

**8**

**PROPOSED CHANGES IN MASTER PLAN, BUILDING CODES AND CITY OF WHITEWATER ORDINANCES**

It is expected that this Plan will be complementary to the City's Master Plan. There are no proposed changes to the building codes or other City ordinances for the implementation of this Plan.

**9**

**RELOCATION**

It is not expected that there will be a need to relocate any persons or businesses in conjunction with this Plan. In the event relocation becomes necessary at some time during the implementation period, the City will take the following steps and actions.

Before negotiations begin for the acquisition of property or easements, all property owners will be provided an informational pamphlet prepared by the Wisconsin Department of Commerce and if any person is to be displaced as a result of the acquisition, they will be given a pamphlet on "Relocation Rights". The City will provide each owner a full narrative appraisal, a map showing the owners of all property affected by the proposed project and a list of all or at least ten neighboring landowners to whom offers are being made.

The City will file a relocation plan with the Department of Commerce and shall keep records as required in Wisconsin Statute Section 32.27.

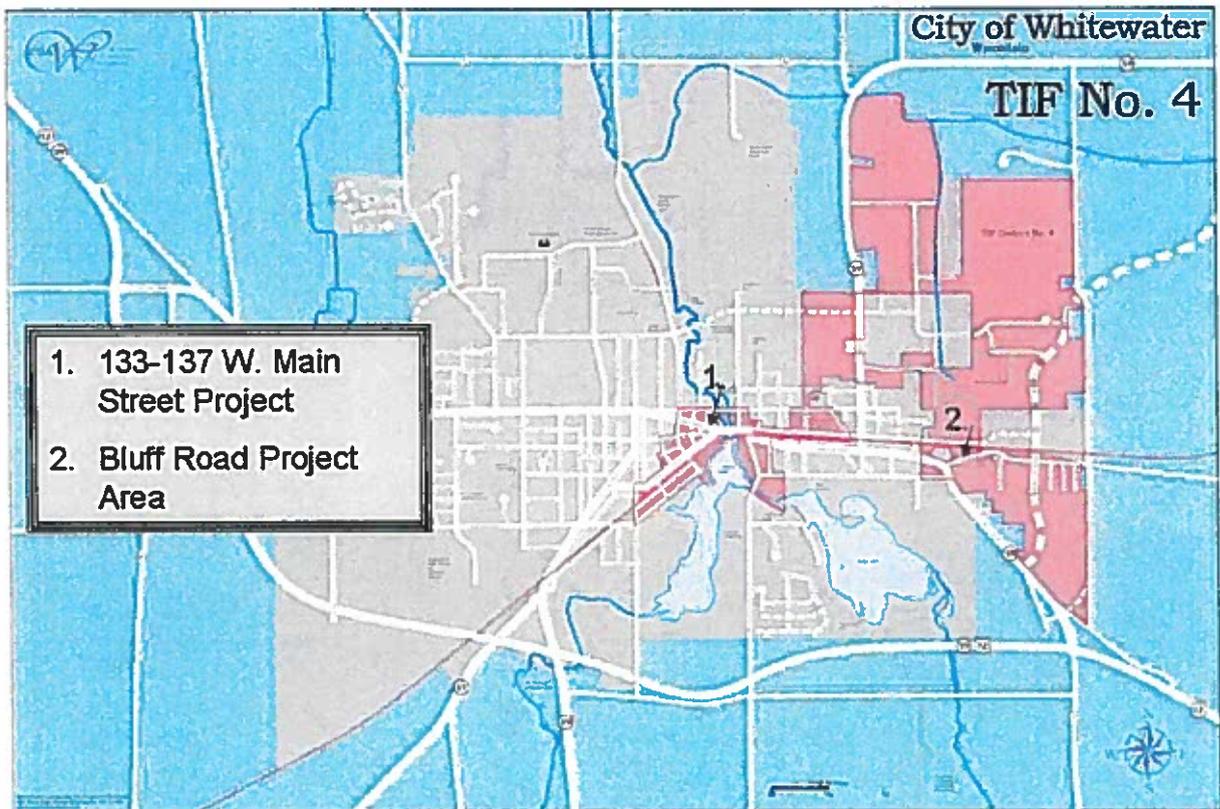
**10**

**ORDERLY DEVELOPMENT OF THE CITY OF WHITEWATER**

This Plan contributes to the orderly development of the City by providing the opportunity for continued growth in industrial tax base and job opportunities. This Plan will provide additional development in the City.

**11**

**EXISTING TID BOUNDARIES AND OVERALL TID CASH FLOW – INCLUDING THIS AMENDMENT**





**EHLERS**  
& ASSOCIATES INC

## City of Whitewater

### TID No. 4 Cash Flow Analysis - Includes Revenue Sharing, No Amendment or New Projects.

Year - End	TID No. 4	Proposed 2005 Issue**	Share Revenue With TID 3	Total	Revenue	TID No. 4	Yearly Cash	Cumulative Cash Flow
	Debt (P & I)*	Prin.		Int. Est.	Expenses	Sharing TID 1 & 2	Available Revenue**	
2004	1,337,701			(1,337,701)	383,926	1,531,434	193,733	33,425
2005	1,301,724		15,868	(1,317,592)	0	1,153,184	(164,408)	227,158
2006	1,328,988		31,736	(1,360,724)	0	1,328,657	(32,067)	62,751
2007	1,043,937		31,736	(1,075,673)	0	1,497,388	421,715	30,683
2008	971,200		31,736	(1,002,936)	0	1,587,495	584,559	452,399
2009	952,840	50,000	30,941	(1,033,781)	0	1,658,903	625,122	1,036,958
2010	958,300	50,000	29,298	(1,037,598)	0	1,700,990	663,392	1,662,080
2011	686,680	75,000	27,112	(788,792)	0	1,743,918	955,126	2,325,472
2012	753,655	75,000	24,374	(853,029)	0	1,787,705	934,676	3,280,598
2013	741,310	75,000	21,528	(837,838)	0	1,832,368	994,530	4,215,275
2014	778,020	75,000	18,592	(871,612)	0	1,877,924	1,006,312	5,209,805
2015	411,390	75,000	15,573	(501,963)	0	1,924,391	1,422,428	6,216,117
2016	410,190	100,000	11,958	(522,148)	0	1,971,788	1,449,640	7,638,545
2017	407,940	105,000	7,637	(520,577)	0	2,020,132	1,499,555	9,088,185
2018	0	120,000	2,700	(122,700)	0	2,069,443	1,946,743	10,587,740
<b>TOTAL</b>	<b>12,083,875</b>	<b>800,000</b>	<b>300,789</b>	<b>(13,184,664)</b>	<b>383,926</b>	<b>25,685,722</b>		<b>12,534,483</b>

\* Existing Debt Service.  
\*\* Projected Debt Service - 2005 Capital Projects (This Amendment).

**Project Plan Amendment  
for Designation of  
Tax Incremental Finance District No. 4  
as a  
Distressed TID  
Within the  
CITY OF WHITEWATER, WISCONSIN**



**City of  
WHITEWATER**

<i>Public Hearing Held:</i>	<b>January 24, 2011</b>
<i>Adopted by Community Development Authority:</i>	<b>January 24, 2011</b>
<i>Adopted by City Council:</i>	<b>March 1, 2011</b>
<i>Anticipated approval by Joint Review Board:</i>	<b>March 31, 2011</b>

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# **Project Plan Amendment for Designation of Tax Incremental Finance District No. 4 as a Distressed TID**

## *City of Whitewater Officials*

### *City Council*

Patrick Singer	Council Member
James Olsen	Council Member
Marilyn Kienbaum	Council Member
Jim Stewart	Council Member
Jim Winship	Council Member
Lynn Binnie	Council Member
Javonni Butler	Council Member

### *City Staff*

Kevin Brunner	City Manager
Mary Nimm	Community Development Coordinator
Michele Smith	City Clerk
Doug Saubert	Finance Director
Connie DeKemper	City Treasurer
Dean Fischer	Public Works Director
Wally McDonell	City Attorney

### *Plan Commission*

Bruce Parker	Building & Plumbing Inspector, Zoning & Building & Code Enforcement Director
Gregory Torres	Chair
Lynn Binnie	Vice Chair, Council Representative
David Stone	Park Board Representative
Karen Coburn	Member
Kristine Zaballos	Member
Thomas Miller	Member
Rod Dalee	Member

### *Community Development Authority*

Tom Miller	Chair
Jeff Knight	Vice Chair
Jim Stewart	Member
Patrick Singer	Member
Alan Marshall	Member
Jim Allen	Member
Albert Stanek	Member

### *Joint Review Board*

Council Appointment	City Representative
Jessica Lanser	Walworth County
Mark Zlevor	Gateway Technical College District
Dr. Suzanne Zentner	Whitewater School District
Joint Review Board Appointment	Public Member

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# 1

## HISTORY OF TID #4

The City of Whitewater created Tax Incremental District No. 4 (the "District") in 1990 under authority of Wisconsin §66.1105 primarily to promote the orderly development of the City. The addition, construction of streets and utilities were needed in order to provide incentives for industrial recruitment and growth, as well as to stimulate private sector development throughout the TID. The new development, which has occurred as a result of the projects undertaken within the District boundaries, has provided the City with additional tax base and provided employment opportunities.

The Project Plan and boundaries were amended in 1996. The primary purpose for the amendment was to expand the Whitewater Business Park in order to allow for continued industrial growth, stimulate job creation and tax base expansion and diversification. In addition, infrastructure needed to be constructed, business recruitment incentives needed to be put in place, and downtown improvements were needed to assist in retail and commercial expansion as well as blight elimination.

The Project Plan was amended in 2005. The City determined that it would continue to benefit the overall community to expand its economic base by amending the Project Plan to provide for the undertaking of additional expenditures. In order to promote additional development, the City's second amendment to the District included additional projects.

The City's original intent was to create a tax incremental district to assure that high quality industrial, distributor, and related private development would be located in the District. The goal was also to provide and preserve employment opportunities within the City, promote growth, and to provide rehabilitation and conservation of lands currently lacking adequate infrastructure, roadways, sewers, and platting consistent with the City's Master Plan. To date, the City has yet to complete all of the projects proposed in the original Project Plan. A summary of the projects found in the original Project Plan and first amendment, along with the related cost estimates, can be found in the original and amended Project Plan.

To further the goals contained in the original creation Project Plan, the City of Whitewater in 2005 found it desirable to amend the District's boundaries to add Additional Territory, and subtract property to add same back to the tax roll for the benefit of the taxpayers of the overlapping jurisdictions of the City, and to amend the Project Plan to provide for the undertaking of additional expenditures. Up to four boundary amendments are allowed during the life of the District. The 2005 amendment was the second boundary amendment of Tax Incremental District No. 4.

In the project plan that follows the City has only addressed the elements or subject areas (required by Statute) that are affected by the distressed designation. All other subject areas remain unchanged and can be referenced in the original TID#4 project plan or subsequent amendments.

## 2

### REQUIREMENTS FOR DISTRESSED TID DESIGNATION

#### REQUIREMENTS FOR DISTRESSED TID #4:

1. The TID must have been created before October 1, 2008.  
*City of Whitewater TID #4 Created September 18, 1990.*
2. The TID has been in existence for at least 7 years before the resolution.  
*City of Whitewater TID #4 has been in existence for 20 years.*
3. The TID has not been amended after October 1, 2009.  
*City of Whitewater TID #4 was last amended in May, 2005.*
4. The projected TID increments are insufficient to pay project costs and debt during the TID's life.  
*Insufficient increments are illustrated on schedules provided by Robert W Baird.*
5. The TID's increment in any year has declined at least 25% from the highest value increment (Severely Distressed only).
6. Any increment that exceeds the TID's annual expenditures shall retire any debt of the TID or establish a reserve used only to retire debt of the distressed, or severely distressed TID.

#### DISTRESSED TID #4 MAY NOT:

1. Make any expenditures after its original expenditure period ends.  
*City of Whitewater TID #4 expenditure period ends September 18, 2012.*
2. Amend its project plan to add any new project costs.
3. Become part of a TID with overlapping boundaries.
4. Expend any funds outside its boundaries.
5. Add territory.
6. Become a donor TID.

The designation of TID 4 as Distressed will allow the extension of the TID's maximum life by 10 years beyond its original termination date of September 18, 2017.

## 3

### DEVELOPMENT ASSUMPTIONS

The City of Whitewater projects, to the best of its knowledge, estimated new construction increment (which is projected to occur in TID #4) over the next several years.

The increment estimates are reviewed periodically based on economic information at the time of review. Due to the economic downturn, several proposed projects have either been downsized or have not occurred.

Refer to the development assumptions in the amendment for detail.

The assumptions used for the Distressed TID Designation are reflected in the column titled "7/16/10 Increment Assumptions." The amounts are reflected in column 'e' of the schedules.



# 4

## PROJECTED REVENUE

Exhibit 1 estimates the TIF revenues that will be available to retire the debt incurred to finance project costs for the years 2010-2013. These numbers are reflected in schedules on page 8 and pages 12-15.

This Exhibit is based on the following assumptions:

The base value of the District is \$22,445,300

Tax base will be generated as of January 1 each year as follows:

ESTIMATED INCREMENT	
2009	\$ 970,000
2010	\$ 400,000
2011	\$ 400,000
2012	\$3,900,000
2013	\$6,940,000

Exhibit 1

See schedule son page 12-15 of this plan for tax base estimates provided by the City Staff.

The equalized tax rate in 2010 is projected to be \$19.44 per thousand. It is projected to remain constant throughout the pro forma.

Annual Inflation is assumed to be zero during the remaining life of the TID.

# 5

## **DISTRESSED FEASIBILITY STUDY**

The City of Whitewater, located in both Jefferson and Walworth County, is a community of approximately 14,454 in population.

Effective October 1, 2009, Act 310, allows a municipality to designate a TID as distressed. The ability to designate a TID as distressed or severely distressed is available for a two-year period and expires on September 30, 2011.

Within TID 4, the City of Whitewater has several Development Agreements with contractual PILOT (Payments In Lieu of Tax) Payments within each of the agreements. Each PILOT agreement guarantees a minimum property value benchmark establishing a systematic method of repaying the district. Developer PILOT Payments are outlined in column 'O' on page 13 or column 'A' on page 15.

The City and Elkhorn Road Venture, L.L.C. entered into a Redevelopment Agreement on January 26, 2007. The City invested \$978,319.00 for the purposes of assisting the redevelopment project by installing infrastructure improvements in the form of, but not limited to, the relocation of Bluff Road, installation of stormwater, water, and sewer, a round-a-bout intersection, curb cuts along Elkhorn Road and at Elkhorn Road and Bluff Road/Clay Street recognizing that "revitalization promotes economic stability" within the City and within Tax Increment Finance District #4.

The redevelopment agreement identifies a "Guaranteed Property Value" for the project in the amount \$8,500,000 for each year subsequent to 2008. A "payment in lieu of tax" was agreed to be paid by the developer representing the difference between the taxes actually assessed on the Development based on the assessed value of the Development and the taxes which would have been assessed on the Development for that year. "Term of the Agreement" is the making of such PILOT payment up to the year 2017 or the termination of TID 4.

As of the Distressed TID Plan Amendment of September 1, 2010, no development and/or redevelopment has occurred as a part of the Redevelopment Agreement with Elkhorn Road Ventures. Subsequently the projected revenues from this agreement have not been met, leaving the district with a short-fall in revenues.

In addition to the lack of increment from the development of the Elkhorn Road Ventures Agreement, the State of Wisconsin Tax Appeals Commission entered into a settlement agreement with Generac Corporation that will further reduce the TID 4 revenues.

The State of Wisconsin, Department of Revenue Manufacturing TELCO Division established the assessed values for an identified portion of the Generac Corporation office and manufacturing complex, located in the City of Whitewater Tax Increment Finance District #4. The settlement agreement reduced the

Assessed Value of said property by \$2,500,000 for the tax years 2007-2013. As a result, a refund was issued to the Generac Corporation, paid in full by Tax Increment Finance District #4, in the amount of \$91,023.30 for the years 2007-2008.

Assessed values for the Generac Corporation properties for the years of 2009-2013 have been established as \$8,100,000, resulting in an assessed value reduction of \$2,500,000 subsequently resulting in a yearly reduction of increment to the district of approximately \$49,125.

As illustrated above, the City of Whitewater Tax Increment District #4 has experienced a lack of projected development and a reduction in property value, thus reducing the project increment as identified in the 2005 Project Plan Amendment.

Whitewater's TID #4 was one of the Wisconsin Tax Increment Districts that was cited by the League of Wisconsin Municipalities during its testimony in support of the passage of ACT 310 which allows for the designation of Distressed TIF Districts. The League, as well as the City, submitted information to the State Legislature that included financial projections that indicated that Whitewater TID #4 project costs incurred would exceed the amount of revenues from all sources that the City expects that TID #4 would generate to pay off these costs during the life of the district. This situation that confronts Whitewater TID #4 as well as a number of other Wisconsin TID's was very compelling and ultimately led to the passage of ACT 310 in April of 2010.

The charts and exhibits on the following pages demonstrate that the revenue from the District will be insufficient to pay for improvements made.

TID #4 Current Status as of July 16, 2010

## City of Whitewater Tax Increment District No. 4 Cash Flow Proforma Analysis

Assumptions	
Annual Inflation During Life of TID	0.00%
2009 gross tax rate (per \$1000 equal value) - pro rata	\$19.85
2010-2017 estimated gross tax rate (per \$1000 equal value) - pro rata	\$19.44
Investment rate for Investment Proceeds	0.70%

Data above dashed line are actual

Background Data							Revenues		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
Val. Date	TIF District Valuation	Value of Exempt Computers	Inflation Increment	Increment	TIF Increment Over Base	Tax Rate	Tax Revenue	Investment Proceeds	Total Revenues
1990	\$21,729,300								
2005	\$22,445,300								
2004	\$77,704,300	\$1,045,000			\$57,297,900				
2005	\$77,981,200	\$1,172,100			\$70,960,000				
2006	\$81,536,200	\$786,400			\$63,194,800	\$18.24			
2007	\$84,853,700	\$1,029,400			\$72,629,700	\$18.46			
2008	\$84,044,600	\$869,200			\$78,660,200	\$19.66			
2009	\$88,288,300	\$997,300			\$78,603,200	\$19.66			
2010	\$92,737,600	\$897,300			\$78,199,600	\$19.65	\$1,508,373	\$0	\$1,508,373
2011	\$100,137,600	\$897,300		\$400,000	\$74,589,600	\$19.44	\$1,504,973	\$1,340	\$1,506,319
2012	\$100,537,600	\$897,300		\$0	\$78,989,600	\$19.44	\$1,520,008	\$0	\$1,520,008
2013	\$104,437,600	\$897,300		\$3,000,000	\$82,989,600	\$19.44	\$1,527,782	\$0	\$1,527,782
2014	\$111,377,600	\$897,300		\$6,940,000	\$89,829,600	\$19.44	\$1,535,658	\$0	\$1,535,658
2015	\$111,377,600	\$897,300		\$0	\$89,829,600	\$19.44	\$1,611,374	\$0	\$1,611,374
2016	\$111,377,600	\$897,300		\$0	\$89,829,600	\$19.44	\$1,740,287	\$0	\$1,740,287
2017	\$111,377,600	\$897,300		\$0	\$89,829,600	\$19.44	\$1,748,287	\$0	\$1,748,287
2018	\$111,377,600	\$897,300		\$0	\$89,829,600	\$19.44	\$1,748,287	\$0	\$1,748,287
2019									
2020									
2021									
2022									
2023									
2024									
2025									
2026									
2027									
2028									
2029									
				\$5,693,000	\$11,640,000		\$14,444,928	\$1,340	\$14,446,273

9/18/1950 TID Inception  
 9/19/2012 Final Year to incur TIF related costs  
 9/18/2017 Maximum legal life of TID (27 Years)  
 (1) Per City. Estimates as of July 16, 2010.  
 (2) Includes investment earnings from all sources

TID #4 Current Status as of July 16, 2010

**City of Whitewater**  
**Tax Increment District No. 4**  
 Cash Flow Proforma Analysis

Yr. Date	Expenditures			TID Status			
	(h)	(i)	(m)	(n)	(e)	(p)	(q)
	Principal	Interest	Existing Debt Service	Annual Balance	Developer PILOT Payment	Year End Cumulative Balance	Cost Recovered
2003							
2004							
2005							
2006							
2007							
2008							
2009							
2010	\$1,375,000	\$581,464	\$1,956,464	(\$450,145)	\$74,389	\$182,241	
2011	\$1,595,000	\$559,695	\$2,154,695	(\$621,099)	\$166,899	(\$938,314)	
2012	\$1,740,000	\$499,275	\$2,239,275	(\$711,493)	\$166,899	(\$1,162,819)	
2013	\$2,000,000	\$434,993	\$2,434,993	(\$899,439)	\$166,899	(\$1,919,494)	
2014	\$2,300,000	\$360,785	\$2,660,785	(\$1,009,411)	\$166,899	(\$2,757,099)	
2015	\$2,010,000	\$278,617	\$2,288,617	(\$540,339)	\$166,899	(\$3,131,427)	
2016	\$1,505,000	\$204,133	\$1,709,133	\$37,165	\$166,899	(\$2,927,062)	
2017	\$3,475,000	\$147,797	\$3,622,797	\$129,490	\$166,899	(\$2,637,003)	
2018	\$160,000	\$61,182	\$221,182		\$148,093		
2019	\$185,000	\$66,210	\$251,210		\$112,098		
2020	\$190,000	\$69,618	\$259,618		\$92,500		
2021	\$195,000	\$74,828	\$269,828		\$92,500		
2022	\$205,000	\$89,291	\$294,291		\$92,500		
2023	\$210,000	\$91,495	\$301,495		\$92,500		
2024	\$220,000	\$54,328	\$274,328		\$92,500		
2025	\$230,000	\$46,607	\$276,607		\$92,500		
2026	\$235,000	\$38,309	\$273,309		\$92,500		
2027	\$245,000	\$29,603	\$274,603		\$92,500		
2028	\$255,000	\$20,998	\$275,998		\$92,500		
2029	\$265,000	\$10,421	\$275,421		\$92,500		
	\$18,695,000	\$3,723,816	\$20,288,816		\$2,428,675		

TID #4 Distressed Designation  
 Restraint / New Money  
 Includes Elkhorn Road PILOT 2011-2017 - \$123,493

# City of Whitewater Tax Increment District No. 4 Cash Flow Proforma Analysis

Assumptions	
Annual Inflation During Life of TID	0.00%
2009 gross tax rate (per \$1000 equal, value) - pre rate	\$19.85
2010-2017 estimated gross tax rate (per \$1000 equal, value) - pre rate	\$19.44
Investment rate for Investment Proceeds	0.70%
Data above dashed line are actual	

Background Data						Revenues		
Val. Date	(a) TIF District Valuation (January 1)	(b) Value of Exempt Computers (December 31)	(c) Inflation Increment	(d) TIF Increment Over Base	(e) Tax Rate	(f) Tax Revenue	(g) Investment Proceeds (2)	(h) Total Revenues
1990	\$21,728,300					\$1,508,373	\$0	\$1,508,373
2005	\$22,446,300					\$1,504,973	\$1,348	\$1,506,321
2003	\$77,704,300	\$1,045,000	\$0	\$400,000	\$19.44	\$1,520,008	\$3,559	\$1,523,567
2004	\$77,891,200	\$1,172,100	\$0	\$3,600,000	\$19.44	\$1,527,782	\$3,174	\$1,530,956
2005	\$91,532,200	\$786,400	\$0	\$8,810,000	\$19.44	\$1,535,558	\$6,618	\$1,542,176
2006	\$84,653,700	\$1,029,400	\$0	\$0	\$19.44	\$1,811,374	\$6,667	\$1,818,041
2007	\$94,044,600	\$809,200	\$0	\$0	\$19.44	\$1,746,287	\$6,208	\$1,752,495
2008	\$99,286,300	\$997,300	\$0	\$0	\$19.44	\$1,746,287	\$6,458	\$1,752,745
2009	\$99,161,200	\$997,300	\$0	\$0	\$19.44	\$1,746,287	\$4,481	\$1,750,768
2010	\$99,737,600	\$997,300	\$0	\$400,000	\$19.44	\$1,746,287	\$3,084	\$1,749,371
2011	\$100,137,600	\$997,300	\$0	\$0	\$19.44	\$1,746,287	\$1,235	\$1,753,522
2012	\$100,537,600	\$997,300	\$0	\$0	\$19.44	\$1,746,287	\$13,084	\$1,759,372
2013	\$104,437,600	\$997,300	\$0	\$0	\$19.44	\$1,746,287	\$18,828	\$1,765,115
2014	\$111,377,600	\$997,300	\$0	\$0	\$19.44	\$1,746,287	\$28,863	\$1,775,150
2015	\$111,377,600	\$997,300	\$0	\$0	\$19.44	\$1,746,287	\$38,966	\$1,785,254
2016	\$111,377,600	\$997,300	\$0	\$0	\$19.44	\$1,746,287	\$48,143	\$1,785,431
2017	\$111,377,600	\$997,300	\$0	\$0	\$19.44	\$1,746,287	\$59,384	\$1,805,671
2018	\$111,377,600	\$997,300	\$0	\$0	\$19.44	\$1,746,287	\$69,634	\$1,815,922
2019	\$111,377,600	\$997,300	\$0	\$0	\$19.44	\$1,746,287	\$79,998	\$1,828,284
2020	\$111,377,600	\$997,300	\$0	\$0	\$19.44	\$1,746,287	\$0	\$1,746,287
2021	\$111,377,600	\$997,300	\$0	\$0	\$19.44	\$1,746,287	\$0	\$1,746,287
2022	\$111,377,600	\$997,300	\$0	\$0	\$19.44	\$1,746,287	\$0	\$1,746,287
2023	\$111,377,600	\$997,300	\$0	\$0	\$19.44	\$1,746,287	\$0	\$1,746,287
2024	\$111,377,600	\$997,300	\$0	\$0	\$19.44	\$1,746,287	\$0	\$1,746,287
2025	\$111,377,600	\$997,300	\$0	\$0	\$19.44	\$1,746,287	\$0	\$1,746,287
2026	\$111,377,600	\$997,300	\$0	\$0	\$19.44	\$1,746,287	\$0	\$1,746,287
2027	\$111,377,600	\$997,300	\$0	\$0	\$19.44	\$1,746,287	\$0	\$1,746,287
2028	\$111,377,600	\$997,300	\$0	\$0	\$19.44	\$1,746,287	\$0	\$1,746,287
2029	\$111,377,600	\$997,300	\$0	\$0	\$19.44	\$1,746,287	\$0	\$1,746,287
						\$31,007,800	\$408,685	\$33,316,487

8/18/1900 TID Inception  
 9/18/2012 Final Year to incur TIF related costs  
 9/18/2017 Maximum legal life of TID (27 Years)  
 9/18/2027 Maximum life under Distressed TID Designation

(1) Per City. Estimates as of July 18, 2010. Includes Elkhorn Road PILOT payment.  
 (2) Includes Investment earnings from all sources

TID #4 Distressed Designation  
 Restructure / New Money  
 Includes Elkhorn Road PILOT 2011-2017 - \$123,493

City of Whitewater  
 Tax Increment District No. 4  
 Cash Flow Proforma Analysis

		EXAMPLE NEW MONEY																										
FINAL PRICING		TID Status																										
Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
Year	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)	(z)	(aa)	(ab)	(ac)	(ad)	(ae)	(af)	(ag)	(ah)	(ai)	(aj)	(ak)	(al)
Year	Existing Debt Service	Less: Refunded Debt Service	Principal (8/1)	Interest (8/1 & 9/1)	Debt Service	Principal (9/1)	Interest (9/1 & 9/1)	Subsidy	Debt Service	Combined Debt Service	Annual Balance	Developer PILOT Payments (f)	Year End Cumulative Balance (December 31)	Cost Recovery														
2003	\$1,854,264	\$607,025			\$1,247,239				\$1,247,239	\$1,247,239	\$156,880		\$156,880															
2004	\$2,141,686	\$689,650		\$1,452,036	\$1,021,188	\$40,108	(\$14,039)	\$28,070	\$1,035,218	\$1,035,218	(\$59,709)	\$74,389	\$74,389															
2005	\$2,239,275	\$753,665		\$1,485,610	\$1,021,188	\$45,263	(\$15,842)	\$29,421	\$1,015,267	\$1,015,267	(\$84,273)	\$290,382	\$290,382															
2006	\$2,434,993	\$741,310		\$1,693,683	\$1,021,188	\$45,263	(\$15,842)	\$29,421	\$965,446	\$965,446	(\$263,110)	\$290,382	\$580,764															
2007	\$2,620,765	\$778,020		\$1,842,745	\$1,021,188	\$45,263	(\$15,842)	\$29,421	\$920,024	\$920,024	(\$358,332)	\$290,382	\$871,146															
2008	\$2,286,617	\$411,390		\$1,875,227	\$1,021,188	\$45,263	(\$15,842)	\$29,421	\$895,606	\$895,606	(\$254,342)	\$290,382	\$1,161,528															
2009	\$1,709,133	\$410,190		\$1,298,943	\$997,189	\$45,263	(\$15,842)	\$29,421	\$1,269,168	\$1,269,168	(\$572,805)	\$290,382	\$1,459,950															
2010	\$1,622,797	\$407,940		\$1,214,857	\$999,288	\$45,263	(\$15,842)	\$29,421	\$1,244,736	\$1,244,736	(\$492,797)	\$290,382	\$1,742,738															
2011	\$271,162		\$935,000	\$65,968	\$1,000,968	\$45,263	(\$15,842)	\$29,421	\$1,030,605	\$1,030,605	\$447,761	\$148,090	\$1,030,605															
2012	\$270,618		\$990,000	\$40,275	\$730,275	\$45,263	(\$15,842)	\$29,421	\$1,001,605	\$1,001,605	\$112,968	\$112,968	\$1,143,573															
2013	\$259,628		\$710,000	\$21,300	\$731,300	\$45,263	(\$15,842)	\$29,421	\$1,031,339	\$1,031,339	\$728,033	\$112,968	\$1,146,301															
2014	\$273,291					\$126,000	\$45,263	(\$15,842)	\$64,457	\$64,457	\$1,341,057	\$92,500	\$1,248,557															
2015	\$271,496					\$126,000	\$40,013	(\$14,004)	\$151,008	\$151,008	\$92,500	\$92,500	\$1,341,057															
2016	\$274,320					\$130,000	\$39,450	(\$12,069)	\$152,393	\$152,393	\$92,500	\$92,500	\$1,341,057															
2017	\$278,607					\$140,000	\$22,058	(\$7,729)	\$154,337	\$154,337	\$92,500	\$92,500	\$1,341,057															
2018	\$274,003					\$145,000	\$15,188	(\$5,319)	\$149,681	\$149,681	\$92,500	\$92,500	\$1,341,057															
2019	\$275,368					\$150,000	\$7,875	(\$2,759)	\$157,126	\$157,126	\$92,500	\$92,500	\$1,341,057															
2020	\$275,421								\$155,119	\$155,119	\$92,500	\$92,500	\$1,341,057															
2021									\$155,119	\$155,119	\$92,500	\$92,500	\$1,341,057															
2022									\$155,119	\$155,119	\$92,500	\$92,500	\$1,341,057															
2023									\$155,119	\$155,119	\$92,500	\$92,500	\$1,341,057															
2024									\$155,119	\$155,119	\$92,500	\$92,500	\$1,341,057															
2025									\$155,119	\$155,119	\$92,500	\$92,500	\$1,341,057															
2026									\$155,119	\$155,119	\$92,500	\$92,500	\$1,341,057															
2027									\$155,119	\$155,119	\$92,500	\$92,500	\$1,341,057															
2028									\$155,119	\$155,119	\$92,500	\$92,500	\$1,341,057															
2029									\$155,119	\$155,119	\$92,500	\$92,500	\$1,341,057															
													\$1,341,057															
													\$1,341,057															



# 7

## OPINION OF ATTORNEY FOR THE CITY ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH SECTION 66.1105 OF THE WISCONSIN STATUTES

Harrison, Williams,  
McDonell & Swatek, LLP  
ATTORNEYS AT LAW

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262-473-7906

ANDREW FARR ALLEN  
(1946-2003)  
DAVID C. WILLIAMS  
TIMOTHY P. SWATEK

Offices also in:  
Lake Geneva

September 1, 2010

Kevin Brunner  
City Manager  
City of Whitewater  
P. O. Box 178  
Whitewater, WI 53190

RE: City of Whitewater, Wisconsin Tax Incremental District No. 4 Amendment

Dear Kevin:

As City Attorney for the City of Whitewater, I have reviewed the Project Plan Amendment document for designation of Tax Incremental District No. 4 as a distressed Tax Incremental District within the City of Whitewater, Wisconsin. In my opinion, the Project Plan amendment is complete and complies with Section 66.1105 of the Wisconsin Statutes.

Sincerely,

HARRISON, WILLIAMS,  
MCDONELL & SWATEK, LLP



Wallace K. McDonell  
(State Bar No. 01008713)  
City Attorney for the City of Whitewater

WKM:sim  
cc: Mary Nimm, CDA Coordinator



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**BAIRD**

# Community Development Authority of the City of Whitewater

Status of Tax Incremental Districts  
April 11, 2013

**Bradley D. Viegut, Managing Director**  
bviegut@rwbaibd.com  
414.765.3827



CDA of the City of Whitewater  
STATUS OF TAX INCREMENTAL DISTRICTS

April 11, 2013

The logo for BAIRD is a blue parallelogram with the word "BAIRD" written in white, uppercase, sans-serif font, rotated 90 degrees counter-clockwise.

Restrictions Placed Upon TIDs Designated as Distressed:

- TIDs declared as distressed may not:
  - Make any expenditures after its original expenditure period ends
  - Amend its project plan to add more projects
  - Become part of a TID with overlapping boundaries
  - Expend funds outside of its boundaries
  - Add territory
  - Become a donor TID

Schedules

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## City of Whitewater Tax Increment District No. 4 Cash Flow Proforma Analysis

2013 Year End Balance	
Cash	\$257,969
Investments	\$358,917
M/R EDA Grant	\$370,498
Accounts Payable	(9,920)
Due to General Fund	(\$75,000)
<b>Total</b>	<b>\$897,464</b>

Assumptions	
Annual Inflation During Life of TID	0.00%
2012 gross tax rate (per \$1000 eqval. value) - per rate	\$22.39
Investment rate for Investment Proceeds	0.50%

Data above dashed line are actual

Background Data						Revenues			Expenditures				TID Status					
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)
Val. Date	TIF District Valuation (January 1)	Value of Exempt Computers	Inflation Increment	TIF Increment	TIF Increment Over Base	Tax Rate	Tax Revenue	Investment Proceeds	Total Revenues	Principal	Interest	Total	CDA Reimbursement	Combined Expenditures	Annual Balance	Developer PILOT Payments	Year End Cumulative Balance (December 31)	Cost Recovery
2011	\$96,600,900	\$800,000	\$0	\$74,193,200	\$21.36	\$21.36	\$1,661,015	\$4,487	\$1,665,502	\$1,370,000	\$453,424	\$1,823,424	\$0	\$1,823,424	(\$157,921)	\$267,248	\$897,464	\$257,969
2012	\$95,838,500	\$800,000	\$0	\$74,193,200	\$22.39	\$22.39	\$1,661,015	\$5,034	\$1,666,049	\$1,565,000	\$407,506	\$1,972,506	\$0	\$1,972,506	(\$130,457)	\$253,995	\$1,006,791	\$358,917
2013	\$95,838,500	\$800,000	\$0	\$74,193,200	\$22.39	\$22.39	\$1,661,015	\$4,772	\$1,665,787	\$1,565,000	\$354,968	\$2,004,968	\$0	\$2,004,968	(\$339,181)	\$253,995	\$869,142	\$370,498
2014	\$95,838,500	\$800,000	\$0	\$74,193,200	\$22.39	\$22.39	\$1,661,015	\$4,344	\$1,665,361	\$2,025,000	\$298,684	\$2,323,684	\$0	\$2,323,684	(\$658,323)	\$195,380	\$416,304	(9,920)
2015	\$95,838,500	\$800,000	\$0	\$74,193,200	\$22.39	\$22.39	\$1,661,015	\$4,031	\$1,665,046	\$2,000,000	\$271,698	\$2,271,698	\$0	\$2,271,698	(\$578,652)	\$195,380	\$272,928	\$897,464
2016	\$95,838,500	\$800,000	\$0	\$74,193,200	\$22.39	\$22.39	\$1,661,015	\$3,718	\$1,664,328	\$1,115,000	\$384,723	\$1,299,723	\$0	\$1,299,723	\$651,407	\$65,756	\$450,991	
2017	\$95,838,500	\$800,000	\$0	\$74,193,200	\$22.39	\$22.39	\$1,661,015	\$3,405	\$1,663,613	\$875,000	\$54,038	\$1,029,038	\$634,228	\$1,029,038	\$634,228	\$23,722	\$1,100,040	
2018	\$95,838,500	\$800,000	\$0	\$74,193,200	\$22.39	\$22.39	\$1,661,015	\$3,092	\$1,662,898	\$900,000	\$39,471	\$1,029,471	\$637,084	\$1,029,471	\$637,084	\$0	\$1,745,124	
2019	\$95,838,500	\$800,000	\$0	\$74,193,200	\$22.39	\$22.39	\$1,661,015	\$2,779	\$1,662,283	\$30,000	\$107,182	\$477,182	\$477,182	\$477,182	\$477,182	\$0	\$2,992,883	
2020	\$95,838,500	\$800,000	\$0	\$74,193,200	\$22.39	\$22.39	\$1,661,015	\$2,466	\$1,661,668	\$30,000	\$92,635	\$474,635	\$474,635	\$474,635	\$474,635	\$0	\$4,246,027	
2021	\$95,838,500	\$800,000	\$0	\$74,193,200	\$22.39	\$22.39	\$1,661,015	\$2,153	\$1,661,015	\$340,000	\$82,589	\$422,589	\$422,589	\$422,589	\$422,589	\$0	\$5,505,583	
2022	\$95,838,500	\$800,000	\$0	\$74,193,200	\$22.39	\$22.39	\$1,661,015	\$1,840	\$1,660,400	\$355,000	\$71,874	\$426,874	\$426,874	\$426,874	\$426,874	\$0	\$6,787,353	
2023	\$95,838,500	\$800,000	\$0	\$74,193,200	\$22.39	\$22.39	\$1,661,015	\$1,527	\$1,659,785	\$370,000	\$60,335	\$430,335	\$250,000	\$680,335	\$1,014,317	\$0	\$7,787,353	
2024	\$95,838,500	\$800,000	\$0	\$74,193,200	\$22.39	\$22.39	\$1,661,015	\$1,214	\$1,659,170	\$380,000	\$47,897	\$427,897	\$250,000	\$677,897	\$1,022,020	\$0	\$8,803,988	
2025	\$95,838,500	\$800,000	\$0	\$74,193,200	\$22.39	\$22.39	\$1,661,015	\$901	\$1,658,555	\$395,000	\$34,418	\$429,418	\$250,000	\$675,418	\$1,023,357	\$0	\$9,892,453	
2026	\$95,838,500	\$800,000	\$0	\$74,193,200	\$22.39	\$22.39	\$1,661,015	\$588	\$1,657,940	\$255,000	\$20,366	\$475,366	\$250,000	\$725,366	\$0	\$0	\$10,982,453	
2027	\$95,838,500	\$800,000	\$0	\$74,193,200	\$22.39	\$22.39	\$1,661,015	\$275	\$1,657,325	\$265,000	\$10,421	\$475,421	\$250,000	\$725,421	\$0	\$0	\$12,155,476	
2028							\$14,915,227	\$217,288	\$15,132,515	\$14,910,000	\$1,247,287	\$17,157,287	\$750,000	\$18,007,287	\$0	\$0	\$13,255,476	
2029																		

9/18/1990 TID Inception (Industrial created before 10/1/04)  
 9/18/2012 Final Year to incur TIF related costs.  
 9/18/2017 Maximum legal life of TID (27 Years)  
 9/18/2027 Maximum life under Distressed TID Designation  
 3/1/2011 TID Designated as Distressed  
 Walworth and Jefferson Counties

(1) 2013 ACTUALS with projections. Includes Elkhorn Road PILOT payment.  
 (2) Includes investment earnings from all sources



## City of Whitewater Tax Increment District No. 4 Cash Flow Proforma Analysis

2012 Year End Balance	
Cash	\$252,959
Investments	\$358,917
A/R EDA Grant	\$370,498
Accounts Payable	(9,928)
Due to General Fund	(\$75,000)
<b>Total</b>	<b>\$897,454</b>

Assumptions	
Annual Inflation During Life of TID	0.00%
2012 gross tax rate (per \$1000 equal. value) - pri. rate	\$22.39
Investment rate for Investment Proceeds	0.50%
Data above dashed line are actual	

Year	Background Data				Revenues			Expenditures				TID Status						
	(a) Val. Date	(b) TIF District Valuation	(c) Value of Exempt Computers	(d) Inflation Increment	(e) TIF Increment Over Base	(f) Tax Rate	(g) Tax Revenue	(h) Investment Proceeds	(i) Total Revenues	(j) Principal	(k) Interest	(l) Total	(m) CDA Reimbursement	(n) Combined Expenditures	(o) Annual Balance	(p) Developer PILOT Payments	(q) Year-End Cumulative Balance (December 31)	(r) Year-End Cash Recovery
2011	\$95,600,900	\$800,000	\$800,000	\$0	\$74,193,200	\$22.39	\$1,661,015	\$4,487	\$1,665,502	\$1,370,000	\$453,424	\$1,823,424	\$1,823,424	\$1,823,424	\$1,665,502	\$137,383	\$1,800,807	\$252,959
2012	\$95,638,500	\$800,000	\$800,000	\$0	\$74,193,200	\$22.39	\$1,661,015	\$4,487	\$1,665,502	\$1,370,000	\$453,424	\$1,823,424	\$1,823,424	\$1,823,424	\$1,665,502	\$137,383	\$1,800,807	\$358,917
2013	\$95,638,500	\$800,000	\$800,000	\$0	\$74,193,200	\$22.39	\$1,661,015	\$4,385	\$1,665,400	\$1,565,000	\$407,506	\$1,972,506	\$1,972,506	\$1,972,506	\$1,665,400	\$137,383	\$1,809,883	\$370,498
2014	\$95,638,500	\$800,000	\$800,000	\$0	\$74,193,200	\$22.39	\$1,661,015	\$4,336	\$1,665,351	\$1,650,000	\$354,968	\$2,004,968	\$2,004,968	\$2,004,968	\$1,665,351	\$137,383	\$1,842,349	(9,928)
2015	\$95,638,500	\$800,000	\$800,000	\$0	\$74,193,200	\$22.39	\$1,661,015	\$4,281	\$1,665,306	\$2,025,000	\$298,684	\$2,323,684	\$2,323,684	\$2,323,684	\$1,665,306	\$137,383	\$1,859,690	\$75,000
2016	\$95,638,500	\$800,000	\$800,000	\$0	\$74,193,200	\$22.39	\$1,661,015	\$0	\$1,661,015	\$2,000,000	\$74,698	\$2,241,698	\$2,241,698	\$2,241,698	\$1,661,015	\$178,768	\$1,860,450	\$0
2017	\$95,638,500	\$800,000	\$800,000	\$0	\$74,193,200	\$22.39	\$1,661,015	\$0	\$1,661,015	\$1,115,000	\$184,723	\$1,299,723	\$1,299,723	\$1,299,723	\$1,661,015	\$65,756	\$1,552,028	\$0
2018	\$95,638,500	\$800,000	\$800,000	\$0	\$74,193,200	\$22.39	\$1,661,015	\$0	\$1,661,015	\$875,000	\$154,038	\$1,029,038	\$1,029,038	\$1,029,038	\$1,661,015	\$23,722	\$1,137,683	\$0
2019	\$95,638,500	\$800,000	\$800,000	\$0	\$74,193,200	\$22.39	\$1,661,015	\$2,518	\$1,663,533	\$900,000	\$129,471	\$1,029,471	\$1,029,471	\$1,029,471	\$1,663,533	\$0	\$1,137,683	\$0
2020	\$95,638,500	\$800,000	\$800,000	\$0	\$74,193,200	\$22.39	\$1,661,015	\$5,688	\$1,666,704	\$320,000	\$102,182	\$422,182	\$422,182	\$422,182	\$1,666,704	\$0	\$1,137,683	\$0
2021	\$95,638,500	\$800,000	\$800,000	\$0	\$74,193,200	\$22.39	\$1,661,015	\$11,911	\$1,672,925	\$320,000	\$9,635	\$422,635	\$422,635	\$422,635	\$1,672,925	\$0	\$1,137,683	\$0
2022	\$95,638,500	\$800,000	\$800,000	\$0	\$74,193,200	\$22.39	\$1,661,015	\$18,162	\$1,679,187	\$340,000	\$82,589	\$422,589	\$422,589	\$422,589	\$1,679,187	\$0	\$1,137,683	\$0
2023	\$95,638,500	\$800,000	\$800,000	\$0	\$74,193,200	\$22.39	\$1,661,015	\$24,445	\$1,685,461	\$350,000	\$71,874	\$426,874	\$426,874	\$426,874	\$1,685,461	\$0	\$1,137,683	\$0
2024	\$95,638,500	\$800,000	\$800,000	\$0	\$74,193,200	\$22.39	\$1,661,015	\$30,728	\$1,691,753	\$370,000	\$60,335	\$430,335	\$430,335	\$430,335	\$1,691,753	\$0	\$1,137,683	\$0
2025	\$95,638,500	\$800,000	\$800,000	\$0	\$74,193,200	\$22.39	\$1,661,015	\$35,795	\$1,696,811	\$380,000	\$47,897	\$427,897	\$427,897	\$427,897	\$1,696,811	\$0	\$1,137,683	\$0
2026	\$95,638,500	\$800,000	\$800,000	\$0	\$74,193,200	\$22.39	\$1,661,015	\$40,870	\$1,701,905	\$395,000	\$34,478	\$429,478	\$429,478	\$429,478	\$1,701,905	\$0	\$1,137,683	\$0
2027	\$95,638,500	\$800,000	\$800,000	\$0	\$74,193,200	\$22.39	\$1,661,015	\$45,950	\$1,707,000	\$255,000	\$20,366	\$275,366	\$275,366	\$275,366	\$1,707,000	\$0	\$1,137,683	\$0
2028	\$95,638,500	\$800,000	\$800,000	\$0	\$74,193,200	\$22.39	\$1,661,015	\$51,030	\$1,712,100	\$265,000	\$10,471	\$275,471	\$275,471	\$275,471	\$1,712,100	\$0	\$1,137,683	\$0
2029	\$95,638,500	\$800,000	\$800,000	\$0	\$74,193,200	\$22.39	\$1,661,015	\$56,110	\$1,717,200	\$14,500,000	\$2,787,287	\$17,257,287	\$17,257,287	\$17,257,287	\$1,717,200	\$659,163	\$1,137,683	\$0

(1) 2013 ACTUALS with projections. Removes Elkhorn Road PILOT payment.  
 (2) Includes investment earnings from all sources

9/18/1990 TID Inception (Industrial created before 10/1/04)  
 9/18/2012 Final Year to incur TIF related costs.  
 9/18/2017 Maximum legal life of TID (27 Years)  
 9/18/2027 Maximum life under Distressed TID Designation  
 3/1/2011 TID Designated as Distressed  
 Walworth and Jefferson Counties

# City of Whitewater Tax Increment District No. 4 Developer Agreements



	DEVELOPER AGREEMENTS / PILOT PAYMENTS										TOTAL Developer PILOT
	Generac	KJN-172-176 West Main	319-325 Center Toppers	Triple J-153 West Main St.	Triple J-155 West Main St.	200-214 W. Whitewater	Elkhorn Rd Ventures	Kwik Trip			
2013	\$58,615	\$36,560	\$2,125	\$5,474	\$5,811	\$10,887	\$4,899	\$129,865	\$13,012		\$267,248
2014	\$58,615	\$36,560	\$2,125	\$5,474	\$5,811	\$10,887	\$4,899	\$116,612	\$13,012		\$253,995
2015	\$58,615	\$36,560	\$2,125	\$5,474	\$5,811	\$10,887	\$4,899	\$116,612	\$13,012		\$253,995
2016		\$36,560	\$2,125	\$5,474	\$5,811	\$10,887	\$4,899	\$116,612	\$13,012		\$195,380
2017		\$36,560	\$2,125	\$5,474	\$5,811	\$10,887	\$4,899	\$116,612	\$13,012		\$195,380
2018		\$36,560	\$2,125	\$5,474	\$5,811	\$10,887	\$4,899				\$65,756
2019			\$2,125	\$5,474	\$5,811	\$10,887	\$4,899				\$23,722
	<b>\$175,845</b>	<b>\$219,360</b>	<b>\$14,875</b>	<b>\$32,844</b>	<b>\$40,677</b>	<b>\$76,209</b>	<b>\$34,293</b>	<b>\$596,313</b>	<b>\$65,060</b>		<b>\$1,255,476</b>

## City of Whitewater Existing TID #4 Debt Service Payments

CALENDAR YEAR	TID #4			TIF #4			TIF #4		
	PRINCIPAL (9/1)	INTEREST (3/1 & 9/1)	TOTAL	PRINCIPAL (9/1)	INTEREST (3/1 & 9/1)	TOTAL	PRINCIPAL (12/1)	INTEREST (6/1 & 12/1)	TOTAL
	<b>1</b> Issue: \$3,300,000 Amount: \$3,300,000 Type: G.O. Promissory Notes Dated: October 15, 2005 Callable: '14-'15 Callable 9/1/13 or any date thereafter @ Par			<b>2</b> Issue: \$5,000,000 Amount: \$5,000,000 Type: G.O. Promissory Notes Dated: January 7, 2008 Callable: '16-'17 Callable 9/1/15 or any date thereafter @ Par			<b>3</b> Issue: \$2,135,000 Amount: \$2,135,000 Type: G.O. Refunding Bonds (CR) Dated: February 9, 2010 Callable: Noncallable		
2013	\$460,000	\$51,480	\$511,480	\$665,000	\$152,438	\$817,438	\$195,000	\$13,620	\$208,620
2014	\$475,000	\$34,920	\$509,920	\$780,000	\$127,500	\$907,500	\$195,000	\$10,110	\$205,110
2015	\$495,000	\$17,820	\$512,820	\$835,000	\$98,250	\$933,250	\$155,000	\$6,015	\$161,015
2016				\$875,000	\$66,938	\$941,938	\$85,000	\$2,295	\$87,295
2017				\$910,000	\$34,125	\$944,125			
2018									
2019									
2020									
2021									
2022									
2023									
2024									
2025									
2026									
2027									
2028									
2029									
<b>TOTAL</b>	<b>\$1,430,000</b>	<b>\$104,220</b>	<b>\$1,534,220</b>	<b>\$4,065,000</b>	<b>\$479,250</b>	<b>\$4,544,250</b>	<b>\$630,000</b>	<b>\$32,040</b>	<b>\$662,040</b>

## City of Whitewater Existing TID #4 Debt Service Payments

CALENDAR YEAR	TIF #4			TIF #4			TIF #4					
	PRINCIPAL (12/1)	RATE (6/1 & 12/1)	INTEREST (6/1 & 12/1)	TOTAL	PRINCIPAL (9/1)	RATE (Noncallable)	INTEREST (3/1 & 9/1)	TOTAL	PRINCIPAL (9/1)	RATE	INTEREST (3/1 & 9/1)	TOTAL
	<b>Issue:</b> \$3,290,000 <b>Type:</b> Tax G.O. Bonds (BABS-Direct Pay) <b>Dated:</b> February 9, 2010 <b>Callable:</b> '21-'29 Callable 12/1/20 or any date thereafter @ Par				<b>Issue:</b> \$5,000,000 <b>Type:</b> G.O. Refunding Bonds (CR) <b>Dated:</b> September 1, 2010 <b>Callable:</b> Noncallable				<b>Issue:</b> \$2,110,000 <b>Type:</b> Tax G.O. Corporate Purp. Bonds (BABS-DP) <b>Dated:</b> October 12, 2010 <b>Callable:</b> '21-'27 Callable 9/1/20 or any date thereafter @ Par			
2013	\$50,000	2.800%	\$163,300	\$213,300	\$102,188	2.000%	\$102,188	\$214,376	\$125,000	3.950%	\$42,390	\$167,390
2014	\$115,000	2.800%	\$161,900	\$276,900	\$102,188		\$102,188	\$278,376	\$125,000	4.000%	\$42,390	\$167,390
2015	\$165,000	3.200%	\$158,680	\$323,680	\$102,188		\$102,188	\$325,376	\$125,000	4.200%	\$42,390	\$167,390
2016	\$170,000	3.600%	\$153,400	\$323,400	\$895,000	2.000%	\$102,188	\$997,188	\$125,000	4.350%	\$42,390	\$167,390
2017	\$175,000	4.000%	\$147,280	\$322,280	\$915,000	2.000%	\$84,288	\$999,288	\$125,000	4.550%	\$42,390	\$167,390
2018	\$180,000	4.250%	\$140,280	\$320,280	\$935,000	2.750%	\$65,988	\$1,000,988	\$125,000	5.000%	\$42,390	\$167,390
2019	\$185,000	4.650%	\$132,630	\$317,630	\$690,000	2.750%	\$40,275	\$730,275	\$125,000	5.000%	\$42,390	\$167,390
2020	\$190,000	4.850%	\$124,028	\$314,028	\$710,000	3.000%	\$21,300	\$731,300	\$125,000	5.000%	\$42,390	\$167,390
2021	\$195,000	5.000%	\$114,813	\$309,813					\$125,000			
2022	\$205,000	5.100%	\$105,063	\$310,063					\$125,000			
2023	\$210,000	5.250%	\$94,608	\$304,608					\$125,000			
2024	\$220,000	5.400%	\$83,583	\$303,583					\$125,000			
2025	\$230,000	5.550%	\$71,703	\$301,703					\$125,000			
2026	\$235,000	5.700%	\$58,938	\$293,938					\$125,000			
2027	\$245,000	5.800%	\$45,543	\$290,543					\$125,000			
2028	\$255,000	6.000%	\$31,333	\$286,333					\$125,000			
2029	\$265,000	6.050%	\$16,033	\$281,033					\$125,000			
<b>TOTAL</b>	<b>\$3,290,000</b>		<b>\$1,803,110</b>	<b>\$5,093,110</b>	<b>\$4,145,000</b>		<b>\$620,600</b>	<b>\$4,765,600</b>	<b>\$950,000</b>		<b>\$521,778</b>	<b>\$1,471,778</b>

Prepared by Robert W. Baird & Co., Incorporated R:\municipalities\whitewater cy whitewater debtex debt whitewater cr.xls 3/27/2013



**City of Whitewater  
Existing TID #4 Debt Service Payments**

TIF #4

Issue: 7  
 Amount: \$750,000  
 Type: Advance from CDA  
 Dated:

Callable: Anytime

CALENDAR YEAR	PRINCIPAL	RATE	INTEREST	TOTAL
---------------	-----------	------	----------	-------

2013				\$0
2014				\$0
2015				\$0
2016				\$0
2017				\$0
2018				\$0
2019				\$0
2020				\$0
2021				\$0
2022				\$0
2023				\$0
2024				\$0
2025	\$250,000	0.000%		\$250,000
2026	\$250,000	0.000%		\$250,000
2027	\$250,000	0.000%		\$250,000
2028				
2029				
<b>TOTAL</b>	<b>\$750,000</b>		<b>\$0</b>	<b>\$750,000</b>

**City of Whitewater  
Existing TID #4 Debt Service Payments**

CALENDAR YEAR	COMBINED DEBT SERVICE			Feb. 2010			Oct. 2010			NET OF SUBSIDY COMBINED DEBT SERVICE		
	PRINCIPAL	INTEREST	TOTAL	BABs	SUBSIDY	TOTAL	BABs	SUBSIDY	TOTAL	PRINCIPAL	INTEREST	TOTAL
2013	\$1,370,000	\$525,415	\$1,895,415	(\$57,155)		\$1,838,260	(\$14,837)		\$1,823,424	\$1,370,000	\$453,424	\$1,823,424
2014	\$1,565,000	\$479,008	\$2,044,008	(\$56,665)		\$1,987,343	(\$14,837)		\$1,972,506	\$1,565,000	\$407,506	\$1,972,506
2015	\$1,650,000	\$425,343	\$2,075,343	(\$55,538)		\$2,019,805	(\$14,837)		\$2,004,968	\$1,650,000	\$354,968	\$2,004,968
2016	\$2,025,000	\$367,210	\$2,392,210	(\$53,690)		\$2,338,520	(\$14,837)		\$2,323,684	\$2,025,000	\$298,684	\$2,323,684
2017	\$2,000,000	\$308,083	\$2,308,083	(\$51,548)		\$2,256,535	(\$14,837)		\$2,241,698	\$2,000,000	\$241,698	\$2,241,698
2018	\$1,115,000	\$248,658	\$1,363,658	(\$49,098)		\$1,314,560	(\$14,837)		\$1,299,723	\$1,115,000	\$184,723	\$1,299,723
2019	\$875,000	\$215,295	\$1,090,295	(\$46,421)		\$1,043,874	(\$14,837)		\$1,029,038	\$875,000	\$154,038	\$1,029,038
2020	\$900,000	\$187,718	\$1,087,718	(\$43,410)		\$1,044,308	(\$14,837)		\$1,029,471	\$900,000	\$129,471	\$1,029,471
2021	\$320,000	\$157,203	\$477,203	(\$40,184)		\$437,019	(\$14,837)		\$422,182	\$320,000	\$102,182	\$422,182
2022	\$330,000	\$142,515	\$472,515	(\$36,772)		\$435,743	(\$13,108)		\$422,635	\$330,000	\$92,635	\$422,635
2023	\$340,000	\$127,060	\$467,060	(\$33,113)		\$433,947	(\$11,358)		\$422,589	\$340,000	\$82,589	\$422,589
2024	\$355,000	\$110,575	\$465,575	(\$29,254)		\$436,321	(\$9,447)		\$426,874	\$355,000	\$71,874	\$426,874
2025	\$620,000	\$92,823	\$712,823	(\$25,096)		\$687,727	(\$7,392)		\$680,335	\$620,000	\$60,335	\$680,335
2026	\$630,000	\$73,688	\$703,688	(\$20,628)		\$683,060	(\$5,163)		\$677,897	\$630,000	\$47,897	\$677,897
2027	\$645,000	\$53,043	\$698,043	(\$15,940)		\$682,103	(\$2,625)		\$679,478	\$645,000	\$34,478	\$679,478
2028	\$255,000	\$31,333	\$286,333	(\$10,966)		\$275,367			\$275,366	\$255,000	\$20,366	\$275,366
2029	\$265,000	\$16,033	\$281,033	(\$5,611)		\$275,622			\$275,421	\$265,000	\$10,421	\$275,421
<b>TOTAL</b>	<b>\$15,260,000</b>	<b>\$3,560,998</b>	<b>\$18,820,998</b>	<b>(\$631,089)</b>		<b>\$18,189,909</b>	<b>(\$182,622)</b>		<b>\$18,007,287</b>	<b>\$15,260,000</b>	<b>\$2,747,287</b>	<b>\$18,007,287</b>

**Current Status - TID#5**



**City of Whitewater  
Tax Increment District No.5  
Cash Flow Proforma Analysis**

Assumptions	
Annual Inflation During Life of TID.....	0.00%
2012 Gross Tax Rate (per \$1000 Equalized Value).....	\$22.35
Annual Adjustment to tax rate.....	0.00%
Investment rate.....	0.50%

Data above dashed line are actual

Year	Background Data					(f)
	(a)	(b)	(c)	(d)	(e)	
	TIF District Valuation (January 1)	Value of Exempt Computers (December 31)	Inflation Increment	Construction Increment	TIF Increment Over Base	Tax Rate
2011	\$3,257,600	\$0	\$0	\$0	(\$400)	\$21.28
2012	\$3,327,300	\$0	\$0	\$0	(\$400)	\$22.35
2013	\$3,327,300	\$0	\$0	\$0	(\$400)	\$22.35
2014	\$3,327,300	\$0	\$0	\$0	(\$400)	\$22.35
2015	\$3,327,300	\$0	\$0	\$0	(\$400)	\$22.35
2016	\$3,327,300	\$0	\$0	\$0	(\$400)	\$22.35
2017	\$3,327,300	\$0	\$0	\$0	(\$400)	\$22.35
2018	\$3,327,300	\$0	\$0	\$0	(\$400)	\$22.35
2019	\$3,327,300	\$0	\$0	\$0	(\$400)	\$22.35
2020	\$3,327,300	\$0	\$0	\$0	(\$400)	\$22.35
2021	\$3,327,300	\$0	\$0	\$0	(\$400)	\$22.35
2022	\$3,327,300	\$0	\$0	\$0	(\$400)	\$22.35
2023	\$3,327,300	\$0	\$0	\$0	(\$400)	\$22.35
2024	\$3,327,300	\$0	\$0	\$0	(\$400)	\$22.35
2025	\$3,327,300	\$0	\$0	\$0	(\$400)	\$22.35
2026	\$3,327,300	\$0	\$0	\$0	(\$400)	\$22.35
2027	\$3,327,300	\$0	\$0	\$0	(\$400)	\$22.35

Year	Revenues			Expenditures		TID Status			
	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	
	Tax Revenue	Investment Proceeds	Total Revenues	Principal	Interest	Combined Expenditures	Annual Balance	Year End Cumulative Balance (December 31)	Cost Recovery
2011	\$0	\$44	\$44	\$0	\$0	\$0	\$44	\$8,961	Expenditures Recovered
2012	\$0	\$45	\$45	\$0	\$0	\$0	\$45	\$8,905	Expenditures Recovered
2013	\$0	\$45	\$45	\$0	\$0	\$0	\$45	\$8,950	Expenditures Recovered
2014	\$0	\$45	\$45	\$0	\$0	\$0	\$45	\$8,995	Expenditures Recovered
2015	\$0	\$45	\$45	\$0	\$0	\$0	\$45	\$9,040	Expenditures Recovered
2016	\$0	\$45	\$45	\$0	\$0	\$0	\$45	\$9,085	Expenditures Recovered
2017	\$0	\$45	\$45	\$0	\$0	\$0	\$45	\$9,130	Expenditures Recovered
2018	\$0	\$46	\$46	\$0	\$0	\$0	\$46	\$9,176	Expenditures Recovered
2019	\$0	\$46	\$46	\$0	\$0	\$0	\$46	\$9,222	Expenditures Recovered
2020	\$0	\$46	\$46	\$0	\$0	\$0	\$46	\$9,268	Expenditures Recovered
2021	\$0	\$46	\$46	\$0	\$0	\$0	\$46	\$9,314	Expenditures Recovered
2022	\$0	\$47	\$47	\$0	\$0	\$0	\$47	\$9,361	Expenditures Recovered
2023	\$0	\$47	\$47	\$0	\$0	\$0	\$47	\$9,408	Expenditures Recovered
2024	\$0	\$47	\$47	\$0	\$0	\$0	\$47	\$9,455	Expenditures Recovered
2025	\$0	\$47	\$47	\$0	\$0	\$0	\$47	\$9,502	Expenditures Recovered
2026	\$0	\$48	\$48	\$0	\$0	\$0	\$48	\$9,549	Expenditures Recovered
2027	\$0	\$48	\$48	\$0	\$0	\$0	\$48	\$9,596	Expenditures Recovered

(1) Increment per City Estimates.

Type of TID: Mixed Use  
 2007 TID Inception  
 2022 Final Year to Incur TIF Related Costs  
 2027 Maximum Legal Life of TID (27 Years)  
 Walworth and Jefferson Counties





# City of Whitewater Existing TID #6 Debt Service Payments

**TIF# 6**

Issue: 1  
 Amount: \$2,110,000  
 Type: Tax. G.O. Corp. Purpose Bonds (BABs - Direct Pay)  
 Dated: October 12, 2010  
 Callable: '21-'27 Callable 9/1/20 or any date thereafter @ Par

**NET OF SUBSIDY  
COMBINED DEBT SERVICE**

Oct. 2010  
**BABs  
SUBSIDY**

CALENDAR YEAR	PRINCIPAL (9/1)			INTEREST (3/1 & 9/1)		TOTAL		NET OF SUBSIDY COMBINED DEBT SERVICE	
	PRINCIPAL	RATE	TOTAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	TOTAL
2013	\$15,000	1.550%	\$23,665	\$8,665	\$23,665	(\$3,033)	\$5,632	\$20,632	\$20,632
2014	\$15,000	1.900%	\$23,433	\$8,433	\$23,433	(\$2,951)	\$5,481	\$20,481	\$20,481
2015	\$20,000	2.250%	\$28,148	\$8,148	\$28,148	(\$2,852)	\$5,296	\$25,296	\$25,296
2016	\$20,000	2.600%	\$27,698	\$7,698	\$27,698	(\$2,694)	\$5,003	\$25,003	\$25,003
2017	\$20,000	2.950%	\$27,178	\$7,178	\$27,178	(\$2,512)	\$4,665	\$24,665	\$24,665
2018	\$20,000	3.250%	\$26,588	\$6,588	\$26,588	(\$2,306)	\$4,282	\$24,282	\$24,282
2019	\$20,000	3.650%	\$25,938	\$5,938	\$25,938	(\$2,078)	\$3,859	\$23,859	\$23,859
2020	\$20,000	3.850%	\$25,208	\$5,208	\$25,208	(\$1,823)	\$3,385	\$23,385	\$23,385
2021	\$20,000	3.950%	\$24,438	\$4,438	\$24,438	(\$1,553)	\$2,884	\$22,884	\$22,884
2022	\$20,000	4.000%	\$23,648	\$3,648	\$23,648	(\$1,277)	\$2,371	\$22,371	\$22,371
2023	\$20,000	4.200%	\$22,848	\$2,848	\$22,848	(\$997)	\$1,851	\$21,851	\$21,851
2024	\$20,000	4.350%	\$22,008	\$2,008	\$22,008	(\$703)	\$1,305	\$21,305	\$21,305
2025	\$25,000	4.550%	\$26,138	\$1,138	\$26,138	(\$398)	\$739	\$25,739	\$25,739
<b>TOTAL</b>	<b>\$255,000</b>		<b>\$326,930</b>	<b>\$71,930</b>	<b>\$326,930</b>	<b>(\$25,176)</b>	<b>\$46,755</b>	<b>\$301,755</b>	<b>\$301,755</b>

# City of Whitewater Tax Increment District No.7 Cash Flow Proforma Analysis



Assumptions	
Annual Inflation During Life of TID	0.00%
2012 Gross Tax Rate (per \$1000 Equalized Value)	\$22.35
Annual Adjustment to tax rate	0.00%
Investment rate	0.50%

Data above dashed line are actual

Year	Background Data					
	(a) TIF District Valuation (January 1)	(b) Value of Exempt Computers (December 31)	(c) Inflation Increment	(d) Construction Increment (1)	(e) TIF Increment Over Base	(f) Tax Rate
2011	\$296,200	\$0	\$0	\$0	(\$343,900)	\$21.28
2012	\$302,800	\$0	\$0	\$0	(\$343,900)	\$22.35
2013	\$302,800	\$0	\$0	\$0	(\$343,900)	\$22.35
2014	\$302,800	\$0	\$0	\$0	(\$343,900)	\$22.35
2015	\$302,800	\$0	\$0	\$0	(\$343,900)	\$22.35
2016	\$302,800	\$0	\$0	\$0	(\$343,900)	\$22.35
2017	\$302,800	\$0	\$0	\$0	(\$343,900)	\$22.35
2018	\$302,800	\$0	\$0	\$0	(\$343,900)	\$22.35
2019	\$302,800	\$0	\$0	\$0	(\$343,900)	\$22.35
2020	\$302,800	\$0	\$0	\$0	(\$343,900)	\$22.35
2021	\$302,800	\$0	\$0	\$0	(\$343,900)	\$22.35
2022	\$302,800	\$0	\$0	\$0	(\$343,900)	\$22.35
2023	\$302,800	\$0	\$0	\$0	(\$343,900)	\$22.35
2024	\$302,800	\$0	\$0	\$0	(\$343,900)	\$22.35
2025	\$302,800	\$0	\$0	\$0	(\$343,900)	\$22.35
2026	\$302,800	\$0	\$0	\$0	(\$343,900)	\$22.35
2027	\$302,800	\$0	\$0	\$0	(\$343,900)	\$22.35

Year	Revenues			Expenditures		TID Status			
	(g) Tax Revenue	(h) Investment Proceeds	(i) Total Revenues	(j) Principal	(k) Interest	(l) Combined Expenditures	(m) Annual Balance	(n) Year End Cumulative Balance (December 31)	(o) Cost Recovery
2011	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2012	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2013	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2014	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2017	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2018	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2019	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2020	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2021	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2022	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2023	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2024	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2027	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Type of TID: Mixed Use  
 2007 TID Inception  
 2022 Final Year to Incur TIF Related Costs  
 2027 Maximum Legal Life of TID (27 Years)  
 Walworth County

(1) Increment per City Estimates.

Current Status - TID#8

# City of Whitewater Tax Increment District No.8 Cash Flow Proforma Analysis

Assumptions	
Annual Inflation During Life of TID.....	0.00%
2012 Gross Tax Rate (per \$1000 Equalized Value).....	\$22.47
Annual Adjustment to tax rate.....	0.00%
Investment rate.....	0.50%

Data above dashed line are actual

Year	Background Data				Revenues		Expenditures			TID Status							
	(a) TIF District Valuation (January 1) Base Value \$503,700	(b) Value of Exempt Computers (December 31)	(c) Inflation Increment	(d) Construction Increment (1)	(e) TIF Increment Over Base	(f) Tax Rate	(g) Tax Revenue	(h) Investment Proceeds	(i) Total Revenues	(j) Principal	(k) Interest	(l) Combined Expenditures	(m) Annual Balance	(n) Year End Cumulative Balance (December 31)	(o) Cost Recovery	Year	
2011	\$512,700	\$0	\$0	\$0	\$20,800	\$21.51	\$467	\$88	\$556			\$0	\$556	\$17,643	Expenditures Recovered	2011	
2012	\$524,500	\$0	\$0	\$0	\$20,800	\$22.47	\$467	\$91	\$558			\$0	\$558	\$18,199	Expenditures Recovered	2012	
2013	\$524,500	\$0	\$0	\$0	\$20,800	\$22.47	\$467	\$94	\$561			\$0	\$561	\$19,318	Expenditures Recovered	2013	
2014	\$524,500	\$0	\$0	\$0	\$20,800	\$22.47	\$467	\$97	\$564			\$0	\$564	\$19,882	Expenditures Recovered	2014	
2015	\$524,500	\$0	\$0	\$0	\$20,800	\$22.47	\$467	\$99	\$567			\$0	\$567	\$20,449	Expenditures Recovered	2015	
2016	\$524,500	\$0	\$0	\$0	\$20,800	\$22.47	\$467	\$102	\$570			\$0	\$570	\$21,018	Expenditures Recovered	2016	
2017	\$524,500	\$0	\$0	\$0	\$20,800	\$22.47	\$467	\$105	\$572			\$0	\$572	\$21,591	Expenditures Recovered	2017	
2018	\$524,500	\$0	\$0	\$0	\$20,800	\$22.47	\$467	\$108	\$575			\$0	\$575	\$22,166	Expenditures Recovered	2018	
2019	\$524,500	\$0	\$0	\$0	\$20,800	\$22.47	\$467	\$111	\$578			\$0	\$578	\$22,744	Expenditures Recovered	2019	
2020	\$524,500	\$0	\$0	\$0	\$20,800	\$22.47	\$467	\$114	\$581			\$0	\$581	\$23,325	Expenditures Recovered	2020	
2021	\$524,500	\$0	\$0	\$0	\$20,800	\$22.47	\$467	\$117	\$584			\$0	\$584	\$23,909	Expenditures Recovered	2021	
2022	\$524,500	\$0	\$0	\$0	\$20,800	\$22.47	\$467	\$120	\$587			\$0	\$587	\$24,496	Expenditures Recovered	2022	
2023	\$524,500	\$0	\$0	\$0	\$20,800	\$22.47	\$467	\$122	\$590			\$0	\$590	\$25,086	Expenditures Recovered	2023	
2024	\$524,500	\$0	\$0	\$0	\$20,800	\$22.47	\$467	\$125	\$593			\$0	\$593	\$25,679	Expenditures Recovered	2024	
2025	\$524,500	\$0	\$0	\$0	\$20,800	\$22.47	\$467	\$128	\$596			\$0	\$596	\$26,274	Expenditures Recovered	2025	
2026	\$524,500	\$0	\$0	\$0	\$20,800	\$22.47	\$467	\$128	\$596			\$0	\$596	\$26,274	Expenditures Recovered	2026	
2027	\$524,500	\$0	\$0	\$0	\$20,800	\$22.47	\$467	\$128	\$596			\$0	\$596	\$26,274	Expenditures Recovered	2027	
							\$7,010	\$1,621	\$8,631	\$0	\$0	\$0	\$0	\$0	\$0		

Type of TID: Mixed Use  
 2007 TID Inception (8/7/07)  
 2022 Final Year to Incur TIF Related Costs  
 2027 Maximum Legal Life of TID (20 Years)  
 Jefferson County

(1) Increment per City Estimates.

# City of Whitewater Tax Increment District No.9 Cash Flow Proforma Analysis



Assumptions	
Annual Inflation During Life of TID	0.00%
2012 Gross Tax Rate (per \$1000 Equalized Value)	\$22.35
Annual Adjustment to tax rate	0.00%
Investment rate	0.50%

Data above dashed line are actual

Year	Background Data					
	(a) TIF District Valuation (January 1)	(b) Value of Exempt Computers (December 31)	(c) Inflation Increment	(d) Construction Increment	(e) TIF Increment Over Base	(f) Tax Rate
2011	\$50,000	\$0	\$0	\$0	\$2,500	\$21.28
2012	\$41,200	\$0	\$0	\$2,500	\$2,500	\$22.35
2013	\$41,200	\$0	\$0	\$2,500	\$2,500	\$22.35
2014	\$41,200	\$0	\$0	\$2,500	\$2,500	\$22.35
2015	\$41,200	\$0	\$0	\$2,500	\$2,500	\$22.35
2016	\$41,200	\$0	\$0	\$2,500	\$2,500	\$22.35
2017	\$41,200	\$0	\$0	\$2,500	\$2,500	\$22.35
2018	\$41,200	\$0	\$0	\$2,500	\$2,500	\$22.35
2019	\$41,200	\$0	\$0	\$2,500	\$2,500	\$22.35
2020	\$41,200	\$0	\$0	\$2,500	\$2,500	\$22.35
2021	\$41,200	\$0	\$0	\$2,500	\$2,500	\$22.35
2022	\$41,200	\$0	\$0	\$2,500	\$2,500	\$22.35
2023	\$41,200	\$0	\$0	\$2,500	\$2,500	\$22.35
2024	\$41,200	\$0	\$0	\$2,500	\$2,500	\$22.35
2025	\$41,200	\$0	\$0	\$2,500	\$2,500	\$22.35
2026	\$41,200	\$0	\$0	\$2,500	\$2,500	\$22.35
2027	\$41,200	\$0	\$0	\$2,500	\$2,500	\$22.35

Year	Revenues			Total Revenues
	(g) Tax Revenue	(h) Investment Proceeds	(i) Interest	
2011	\$56	\$12	\$68	\$68
2012	\$56	\$13	\$69	\$69
2013	\$56	\$13	\$69	\$69
2014	\$56	\$13	\$69	\$69
2015	\$56	\$13	\$69	\$69
2016	\$56	\$14	\$70	\$70
2017	\$56	\$14	\$70	\$70
2018	\$56	\$14	\$70	\$70
2019	\$56	\$14	\$70	\$70
2020	\$56	\$15	\$71	\$71
2021	\$56	\$15	\$71	\$71
2022	\$56	\$15	\$71	\$71
2023	\$56	\$16	\$72	\$72
2024	\$56	\$16	\$72	\$72
2025	\$56	\$17	\$73	\$73
2026	\$56	\$17	\$73	\$73
2027	\$56	\$17	\$73	\$73
	\$838	\$221	\$1,059	\$1,059

Year	Expenditures		Combined Expenditures
	(j) Principal	(k) Interest	
2011	\$0	\$0	\$0
2012	\$0	\$0	\$0
2013	\$0	\$0	\$0
2014	\$0	\$0	\$0
2015	\$0	\$0	\$0
2016	\$0	\$0	\$0
2017	\$0	\$0	\$0
2018	\$0	\$0	\$0
2019	\$0	\$0	\$0
2020	\$0	\$0	\$0
2021	\$0	\$0	\$0
2022	\$0	\$0	\$0
2023	\$0	\$0	\$0
2024	\$0	\$0	\$0
2025	\$0	\$0	\$0
2026	\$0	\$0	\$0
2027	\$0	\$0	\$0
	\$0	\$0	\$0

Year	TID Status		
	(m) Annual Balance	(n) Year End Cumulative Balance (December 31)	(o) Cost Recovery
2011	\$68	\$2,462	Expenditures Recovered
2012	\$69	\$2,530	Expenditures Recovered
2013	\$69	\$2,599	Expenditures Recovered
2014	\$69	\$2,668	Expenditures Recovered
2015	\$69	\$2,737	Expenditures Recovered
2016	\$70	\$2,806	Expenditures Recovered
2017	\$70	\$2,876	Expenditures Recovered
2018	\$70	\$2,946	Expenditures Recovered
2019	\$71	\$3,017	Expenditures Recovered
2020	\$71	\$3,088	Expenditures Recovered
2021	\$71	\$3,159	Expenditures Recovered
2022	\$72	\$3,231	Expenditures Recovered
2023	\$72	\$3,303	Expenditures Recovered
2024	\$72	\$3,375	Expenditures Recovered
2025	\$73	\$3,448	Expenditures Recovered
2026	\$73	\$3,521	Expenditures Recovered
2027	\$73	\$3,594	Expenditures Recovered

Type of TID: Mixed Use  
2007 TID Inception  
2022 Final Year to Incur TIF Related Costs  
2027 Maximum Legal Life of TID (27 Years)  
Walworth County

(1) Increment per City Estimates.

## OPERATING AGREEMENT

This Operating Agreement is entered into this \_\_\_\_ day of December, 2013 between the CITY OF WHITEWATER, UNIVERSITY OF WISCONSIN-WHITEWATER, and WHITEWATER COMMUNITY DEVELOPMENT AUTHORITY, Initial Members, "Members", of WHITEWATER ECONOMIC DEVELOPMENT COMPANY, LLC, a Wisconsin limited liability company.

WHEREAS, the Members have caused the formation of the State of Wisconsin Articles of Organization, a copy of which is attached hereto as Exhibit A and the terms of which are incorporated by this reference, as provided in the Wisconsin Limited Liability Company Law, "WLLCL"; and

WHEREAS, the Members are hereby affirming their Memberships in the Company, acknowledging the contributions made by each of them, and are assenting to the operation of the Company under the WLLCL without amendment by an operating agreement.

THEREFORE, in consideration of the promises herein, the Members agree as follows:

### FINANCIAL CONTRIBUTIONS

1. Contributions. The equity of the Company will be divided into percentage interests, in units, based on the contributions, in cash or in kind, made by the Members. Initially, there will be 10,000 units issuable, with initial issued units as set forth below:

CITY OF WHITEWATER	\$--
UNIVERSITY OF WISCONSIN-WHITEWATER	\$--
WHITEWATER COMMUNITY DEVELOPMENT AUTHORITY	\$--

2. Additional Contributions. The Members have not agreed to make any additional contributions to the Company, but may do so if they choose.

### MEMBERS

3.1 Membership. Membership is open to all interested and concerned businesses and residents of the community who have attained majority and who want to invest in the future of Whitewater and its surrounding area. The Company will maintain a membership roll, which includes the name and address of each Member.

The right or interest of a Member will not terminate except upon the happening of any of the following events: death, resignation, or expulsion of a Member, or transfer of all of a Member's units, or dissolution or liquidation of the Company.

3.2 Annual Meeting. The annual meeting of the Members will be held on the second Wednesday in November of each year at 7:00 o'clock p.m., beginning with the year 2014, or at such other date and time within 30 days before or after this date as may be fixed by or under the authority of the Board of Directors, for the purpose of electing Directors and transacting such other business as may come before the meeting. If the day fixed for the annual meeting is a legal holiday in Wisconsin, the meeting will be held on the next succeeding business day.

3.3 Special Meetings. Special meetings of the Members may be called (1) by the President, (2) by the Board of Directors or such other officer(s) as the Board of Directors may authorize from time to time, or (3) by the President or Secretary upon the written request of the holders of record of at least 10% of all the votes entitled to be cast upon the matter(s) set forth as the purpose of the meeting in the written request. Upon delivery to the President or Secretary of a written request pursuant to (3) stating the purpose(s) of the requested meeting, dated and signed by the person(s) entitled to request such a meeting, it will be the duty of the officer to whom the request is delivered to give notice of the meeting to Members, within 30 days of such delivery. Notice of any special meetings will be given in the manner provided in Section 3.5 of these Operating Agreement. Only business within the purpose described in the special meeting notice will be conducted at a special Members' meeting.

3.4 Place of Meeting. The Board of Directors may designate any place, either within or outside the state of Wisconsin, as the place of meeting for any annual or special Members' meeting or any adjourned meeting. If no designation is made by the Board of Directors, the place of meeting will be the Company's principal office.

3.5 Notice of Meetings. The Company will notify each Member who is entitled to vote at the meeting, and any other Member entitled to notice under Chapter 183, of the date, time, and place of each annual or special Members' meeting. In the case of special meetings, the notice will also state the meeting's purpose. Unless otherwise required by Chapter 183, the meeting notice will be given not less than 10 days nor more than 60 days before the meeting date. Notice may be given orally or communicated in person or by telephone, by fax, e-mail or other form of electronic transmission,

by private carrier, or in any other manner provided by Chapter 183. Written notice, if mailed, is effective when mailed; and such notice may be addressed to the Member's address shown in the Company's current record of Members. Written notice provided in any other manner is effective when received. Oral notice is effective when communicated.

3.6 Waiver of Notice. A Member may waive notice of any Members' meeting at any time. The waiver must be in writing, signed by the Member, and delivered to the Company for inclusion in the Company records. A Member's attendance at a meeting, in person or by proxy, waives objection to lack of notice or defective notice, unless the Member at the beginning of the meeting or promptly upon arrival objects to holding the meeting or transacting business at the meeting.

3.7 Quorum and Voting Requirements. Except as otherwise provided by the Articles of Organization, these Operating Agreement, or any provision of Chapter 183, 40% of the units will constitute a quorum. If a quorum exists, action on any given matter may be approved by a majority of the votes cast, unless otherwise provided by the Operating Agreement or Chapter 183. At an adjourned meeting at which a quorum is represented, any business may be transacted that might have been transacted at the meeting as originally noticed.

3.8 Proxies. At all Members' meetings, a Member entitled to vote may vote in person or by proxy appointed in writing by the Member or by his/her/its/their duly authorized attorney-in-fact. A proxy appointment will become effective when received by the Secretary or other officer or agent of the Company. Unless otherwise provided in the appointment form, a proxy appointment may be revoked at any time before it is voted, either by written notice filed with the Secretary or other officer or agent of the Company, or by oral notice given by the Member during the meeting. The presence of a Member who has filed his/her/its/their proxy appointment will not of itself constitute a revocation. A proxy appointment will be valid for 11 months from the date of its execution, unless otherwise provided in the appointment form. The Board of Directors will have the power and authority to make rules establishing presumptions as to the validity and sufficiency of proxy appointments.

3.9 Voting of Units. Each outstanding unit will be entitled to one vote upon each matter submitted to a vote at a Members' meeting, except as otherwise required by Chapter 183.

3.10 Action Without a Meeting. Any action required or

permitted by the Operating Agreement or any provision of Chapter 183 to be taken at a Members' meeting may be taken without a meeting by the consent of those Members who would have the voting power to cast at a meeting not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all units entitled to vote were present and voted. The consent of the Members will be effective when one or more written consents describing the action taken, signed by the number of Members sufficient to take the action, are delivered to the Company for inclusion in the company records, unless some other effective date is specified in the consent. Within 10 days after action taken by the consent of Members pursuant to this Operating Agreement becomes effective, the Company will give notice of the action to Members who would have been entitled to vote on the action if a meeting were held but whose units were not represented on the written consent or consents. If the action to be taken requires that notice be given to nonvoting Members, the Company will give the nonvoting Members written notice of the proposed action at least 10 days before the action is taken, which notice will comply with the provisions of Chapter 183 and will contain or be accompanied by the same material that would have been required to be sent to nonvoting Members in a notice of meeting at which the proposed action would have been submitted to the Members.

3.11 Member Compensation. As outlined in the Operating Agreement, no Member will be entitled to receive any compensation based upon their ownership of units, nor will any Member be entitled to receive dividends or other income based upon their ownership of units. All monies received by the Company must be used for economic development purposes within the City of Whitewater. Members may receive payments as outlined in separate contractual agreements between the Company and the Member.

## **BOARD OF DIRECTORS**

4.1 General Powers. The Company's powers will be exercised by or under the authority of, and its business and affairs will be managed under the direction of, its Board of Directors.

4.2 Initial Members - Board of Directors. As Initial Members, each respective organization will be entitled to hold the following seats of the Board of Directors. City of Whitewater, 1 seat, 1 appointment of a Board Member; University of Wisconsin-Whitewater, 1 seat, 1 appointment of a Board Member; Community Development Authority, 3 seats.

4.3 Number, Tenure, and Qualifications. The initial

number of Directors of the Company will be seven (7). Each Director will hold office until the next annual Members' meeting and until his or her successor has been elected by the Members or until his or her death, resignation, or removal. A Director may be removed from office by a vote of the Members taken at any Members' meeting called for that purpose, provided that a quorum is present. A Director may resign at any time by delivering his or her written resignation that complies with the provisions of Chapter 183 to the Board of Directors or the Company. Directors need not be residents of the State of Wisconsin or Members of the Company.

4.4 Regular Meetings. A regular meeting of the Board of Directors will be held without other notice than as provided herein after the annual Members' meeting. The place of the regular Board of Directors' meetings will be determined by the Board from time to time, but will always be within 50 miles of the City of Whitewater.

4.5 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairperson of the Board, if any, or by the President, Secretary, or any two Directors. The person or persons authorized to call special Board of Directors' meetings may fix any place, within City of Whitewater as the place for holding any special board meeting called by them, and if no other place is fixed, the meeting place will be the Company's principal office in the City of Whitewater, but any meeting may be adjourned to reconvene at any place designated by a vote of a majority of the Directors in attendance at the meeting.

4.6 Meetings by Electronic Means of Communication. To the extent provided in this Operating Agreement, the Board of Directors, and any committee of the Board, may, in addition to conducting meetings in which each Director participates in person, conduct any regular or special meeting by the use of any electronic means of communication, provided that (1) all participating Directors may simultaneously hear each other during the meeting or (2) all communication during the meeting is immediately transmitted to each participating Director, and that each participating Director is able to immediately send messages to all other participating Directors. Before the commencement of any business at a meeting at which any Directors do not participate in person, all participating Directors will be informed that a meeting is taking place at which official business may be transacted.

4.7 Notice of Meetings. Notice of each Board of Directors' meeting, except meetings pursuant to Section 4.4 of this Operating Agreement, will be delivered to each Director at his or her business address or at such other address as the Director will have designated in writing and filed with the secretary. Notice may

be given orally or communicated in person or by telephone, by fax, e-mail or other form of electronic transmission, by private carrier, or in any other manner provided by chapter 183. Notice will be given not less than 48 hours before the meeting being noticed, or 72 hours before the meeting being noticed if the notice is given by mail or private carrier. Written notice is effective at the earlier of the time it is received or five days after it is deposited with postage prepaid in the United States mail. Oral notice is effective when communicated.

4.8 Waiver of Notice. A Director may waive notice at any time, whether before or after the time of the meeting. The waiver must be in writing, signed by the Director, and retained in the Company's records. The Director's attendance at or participation in a meeting will constitute a waiver of notice of the meeting, unless the Director at the beginning of the meeting or promptly upon his or her arrival objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting. Neither the business to be transacted at nor the purpose of any regular or special Board of Directors' meeting need be specified in the notice or waiver of notice of the meeting.

4.9 Quorum Requirement. Except as otherwise provided by Chapter 183 or this Operating Agreement, a majority of the number of Directors will constitute a quorum for the transaction of business at any Board of Directors' meeting. These provisions will not, however, apply to the determination of a quorum for actions taken in regard to contracts between related persons and the Company and/or in regard to possible conflicts of interest as provided in this Operating Agreement or actions taken under emergency Operating Agreement or any other provisions of these Operating Agreement that fix different quorum requirements.

4.10 Voting Requirement. The affirmative vote of the majority of the Directors present at a meeting at which a quorum is present will be the act of the Board of Directors. This provision will not apply, however, wherever a greater number is required by this Operating Agreement or by Chapter 183.

4.11 Conduct of Meetings. The Chairperson of the Board of Directors, and in his or her absence, the President, and in the absence of both of them, a Vice President, and in their absence, any Director chosen by the Directors present, will call Board of Directors' meetings to order and will act as chairperson of the meeting. The Company's Secretary will act as Secretary of all Board of Directors' meetings, but in the Secretary's absence, the presiding officer may appoint any assistant secretary, Director, or other person present to act as secretary of the meeting.

4.12 Vacancies. Any vacancy occurring on the Board of Directors, including a vacancy created by an increase in the number of Directors, may be filled by the Members. During such time as the Members fail or are unable to fill such vacancies, then until the Members may act, the vacancy may be filled (1) by the Board of Directors, or (2) if the Directors remaining in office constitute fewer than a quorum of the Board, by the affirmative vote of a majority of all Directors remaining in office.

4.13 Compensation and Expenses. The Board of Directors may provide for reimbursement of reasonable expenses incurred in the performance of the Directors' duties. No Director will be compensated for acting as a Director.

4.14 Committees. The Board of Directors may create and appoint members to one or more committees, by a resolution approved by a majority of the Directors in office when the action is taken. Each committee will consist of at least one Director and will, unless otherwise provided by the Board of Directors, serve at the pleasure of the Board of Directors. Each committee will fix its own rules governing the conduct of its activities and will report its activities to the Board of Directors regularly.

4.15 Action Without a Meeting. Any action by the Board of Directors may be taken without a meeting if one or more written consents, setting forth the action so taken, is signed by all of the Directors entitled to vote on the subject matter of the action and retained in the Company's records. Action taken pursuant to written consent will be effective when the last Director signs the consent or upon such other effective date as is specified in the consent.

## **OFFICERS**

5.1 Officers. The principal officers of the Company will be a President, a Vice-President, a Secretary, and a Treasurer, each of whom will be elected by the Board of Directors. Any two or more offices may be held by the same person.

(a) President. The President will be the chief operating officer of the Company. The President will preside at all meetings of the Board of Directors and will perform all duties incident to the office of President.

(b) Vice-President. In the absence of the President, or if the President dies or is unable to act, the Vice-President will perform the President's duties. The Vice-President will perform such other duties and have such other powers as the Board of

Directors or President may from time to time prescribe.

(c) Secretary. The Secretary will (1) keep the minutes of the Board of Directors meetings in the Company's records; (2) see that all notices are duly given in accordance with the provisions of this Operating Agreement or as required by law; (3) be custodian of the Company's records; (4) keep a register of the post office and e-mail addresses of each Member and Director; and (5) in general, perform all duties incident to the office of Secretary.

(d) Treasurer. The Treasurer will (1) have charge and custody of, and be responsible for, all funds, securities, and investments of the Company; (2) receive moneys for the Company, and deposit all such moneys in the Company's name in banks, trust companies, or other depositories; (3) provide financial information to the Company's accountants for preparation of income tax returns; and (4) in general, perform all of the duties incident to the office of Treasurer.

5.2 Election and Term of Office. The officers of the Company will be elected annually by the Board of Directors. Each officer will hold office until a successor has been elected and qualified or until the officer's death, resignation, or removal.

5.3 Removal. The Board of Directors may remove any officer when, in its judgment, removal is in the Company's best interests.

5.4 Vacancies. The Board of Directors will fill by majority vote any vacancy for the unexpired term of a vacant office.

5.5 Compensation and Expenses. The Board of Directors may provide for reimbursement of reasonable expenses incurred in the performance of the Officers' duties. No Officer will be compensated for acting as an Officer.

5.6 Borrowing. The LLC will have the right to borrow such sums from time to time upon such terms and conditions as the Directors deem appropriate for the benefit of the Company, or to assume loans if for its benefit. This will include, but is not limited to, notes, loan agreements, letters of credit, and other borrowing documents, which may be unsecured or secured by mortgages, security agreements, collateral pledge agreements, and other security agreements in the Company's real estate and/or personal property, both tangible and intangible. The signatures of two Officers are necessary to bind the LLC in regard to any of these matters.

## **VOTING SECURITIES OWNED BY COMPANY**

6.1 Authority to Vote Securities. Any shares or other securities issued by any corporation and owned or controlled by the Company may be voted by the President, or in his or her absence by the Vice President.

6.2 Proxy Authorization. Whenever it is desirable, the Board of Directors may authorize a proxy appointment to vote securities owned by the Company.

## **CONTRACTS & CONFLICTS OF INTEREST**

7. Contracts & Conflicts. The Members have adopted a Conflict of Interest policy which will apply to the Company and its Members, Directors, and Officers, including a policy regarding contracts between the Company and related parties. A copy of this policy is attached.

## **INDEMNIFICATION**

### 8. Indemnification of Officers and Directors.

(a) Liability of Directors and Officers. No person will be liable to the Company for any loss or damage suffered by the Company on account of any action taken or omitted to be taken by the person as a Director or Officer of the Company that the person in good faith believed to be in the Company's best interests. In addition, no Director or Officer of the Company will be liable to the Company for any loss or damage suffered by the Company on account of any action taken or omitted to be taken in reliance upon advice of counsel for the Company or upon statements made or information furnished by Officers (or employees, if any) of the Company that the person had reasonable grounds to believe to be true.

(b) Reasonable Defense. The Company will indemnify and reimburse a Director or Officer for all related litigation expenses, including reasonable attorney's fees, incurred in connection with the defense of the claim, action, dispute, or issue, if the person was a party due to the person's role as a Director or Officer and if the person was acting in good faith in the judgment of the Board of Directors.

(c) Insurance. The Company may purchase and maintain insurance on behalf of any person who is a Director or Officer against any liability asserted against or incurred by the person in their official capacity, regardless of whether the Company is

required or authorized to indemnify or allow expenses to a Director or Officer pursuant to this article.

#### **TAX ELECTION**

9. Tax Election. The Members agree that the accounting and state, federal, and local tax returns for the Company will be as a corporation.

#### **DISSOLUTION**

10 Events Causing Dissolution. The Company will be dissolved upon the happening of any Dissolution Event, unless within ninety (90) days of the date on which the Company and the Members receive notice of a Dissolution Event, the Members and/or the Board of Directors vote to continue the Company.

(a) "Dissolution Event" means (i) the sale or other disposition of all, or substantially all, the assets of the Company; (ii) the election by the Members and/or the Board of Directors to dissolve the Company; or (iii) the happening of any other event causing the dissolution of the Company under the WLLCL, including a judicial dissolution.

(b) Abstaining Members. Any Member who is engaged in the Dissolution Event and their transferees, if any, will abstain from voting, unless all Members are engaged in the event.

(c) Termination and Liquidation. Dissolution of the Company will be effective on the date on which the Dissolution Event occurs, but the Company will not terminate until Articles of Dissolution have been duly filed as provided in Section 183.0906 under the WLLCL, the affairs of the Company have been wound up, and the assets of the Company have been distributed as provided herein. Notwithstanding the dissolution of the Company, prior to the liquidation and termination of the Company, the business of the Company will continue to be governed by this Operating Agreement.

(d) Distribution of Assets. The liquidator will also notify the Company's known claimants as provided in Section 183.0907 of the WLLCL and publish a notice of the Company's dissolution as provided in Section 183.0908 of the WLLCL, except as otherwise determined by the liquidator with the Member's consent. The liquidator will pay the Company's just debts to creditors and the liquidator's wind up fees. Any assets remaining thereafter will be paid as directed by the Members, and in the absence of agreement of the Member to the WHITEWATER COMMUNITY FOUNDATION.

**MISCELLANEOUS**

11. Amendment to Agreement. No amendment or modification of this Agreement will be valid unless in writing, either authorized by the Board of Directors or the Members by a 2/3 vote.

12. Applicable Law. This Agreement will be governed in accordance with the laws of the State of Wisconsin. The provisions of the WLLCL relating to a limited liability company will apply in full force where no contrary provisions appear herein without amendment to this Agreement.

IN WITNESS WHEREOF, the Members have executed this Agreement on the date set forth above.

CITY OF WHITEWATER

UNIVERSITY OF WISCONSIN-  
WHITEWATER

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WHITEWATER COMMUNITY DEVELOPMENT AUTHORITY

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**ACKNOWLEDGEMENT**

THE UNDERSIGNED hereby acknowledges that Exhibit A is a true and correct copy of the Articles of Organization for WHITEWATER ECONOMIC DEVELOPMENT COMPANY, LLC that I filed with the Wisconsin Department of Financial Institutions to organize the Company.

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MARK T. OLM, Organizer

## PROPOSED CONFLICT OF INTEREST POLICY

The Members of WHITEWATER ECONOMIC DEVELOPMENT COMPANY, LLC have adopted this conflict of interest policy on this \_\_\_\_\_ day of December, 2013.

The purpose of the this conflict of interest policy is to protect the WEDC'S interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer or Director of WEDC, or might result in a possible excess benefit transaction.

### DEFINITIONS

1. Interested Person. Any Member, Director, Officer, or member of a committee with Board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested party.

2. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family: a) an ownership or investment interest in any entity with which WEDC has a transaction or arrangement; b) a compensation arrangement with WEDC or with any entity or individual with which WEDC has a transaction or arrangement; or c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which WEDC is negotiating a transaction or arrangement.

A financial interest does not include the making of a gift or donation to WEDC.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. It is WEDC'S policy that compensated employees, if any, will not be an Officer or voting member of the Board of Directors.

A financial interest is not necessarily a conflict of interest. As provided herein, a person who has a financial interest may have a conflict of interest only if the appropriate governing Board or committee decides that a conflict of interest exists; however, it is WEDC'S express policy that any Member, Director, or Officer who has even the appearance of a conflict of interest will not

participate in any discussion regarding that matter, nor will the Member, Director, or Officer vote on that matter.

### **PROCEDURES**

3. Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board of Directors considering the proposed transaction or arrangement.

4. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, she/he will leave the Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board members will decide if a conflict of interest exists. The Board will always err on the side of caution, finding that a conflict exists so that the mission and purposes of WEDC are not placed in jeopardy.

5. Procedures of Addressing the Conflict of Interest. a) The President of the Board may, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

b) After exercising due diligence, the Board will determine whether WEDC can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

c) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board will determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in WEDC'S best interest, for its own benefit, and whether it is fair and reasonable, and will act in accordance with this determination.

6. Violations of Conflict of Interest Policy. a) If the Board has reasonable cause to believe a Member, Director, or Officer has failed to disclose actual or possible conflicts of interest, it will inform the Member,

Director, or Officer of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.

b) After hearing the person's response and after making further investigation as warranted by the circumstances, if the Board determines the Member, Director, or Officer has failed to disclose an actual or possible conflict of interest, the Board will take appropriate disciplinary and corrective action.

7. Records. The Board will keep appropriate records of all proceedings related to conflict of interest matters.

#### **ACKNOWLEDGEMENT OF POLICY**

8. Acknowledgement. WEDC will either devote a portion of one meeting annually to the review of this conflict of interest policy or will have each Director and Officer annually sign a statement which includes the following affirmations for each person:

- a) She/he has received a copy of the conflicts of interest policy.
- b) She/he has read and understands the policy.
- c) She/he agrees to comply with the policy.

Whitewater  
Community Development Authority  
Whitewater Seed Accelerator Fund  
Policy Manual

~~October 29, 2012~~

**November 10, 2013**

# Purpose

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## Purpose

The purpose of the policies and procedures contained in this manual are to outline the nature and scope of the funds and how they may be used as seed funds. The policy manual will be collectively referred to as the Seed Capital **Catalyst** Fund.

The Fund will make grants, debt and equity investments in startup and early stage businesses. Funds will be invested into innovation based businesses located in, or those that will locate within, the City of Whitewater or those businesses having a direct effect upon the local economic well-being of the City. Industry sectors of focus will include, but are not limited to: Advanced Manufacturing, Agriculture/Food Processing, Information Systems/Software, Medical Device, and Renewable/Green Energy. The fund will not work with businesses whose primary market is direct consumer purchased retail, restaurant or hospitality industry sectors.

## Program Objectives

Seed Capital **Catalyst** Fund awards made available through this program are intended to meet the following objectives:

1. To assist with the creation of innovation based investment companies who are in the early stages of development or the startup phase.
2. To encourage the creation and retention of permanent jobs which provide a wage appropriate to the skills and experience of the local workforce.
3. To encourage the leveraging of private investment into the City of Whitewater and the State of Wisconsin in the form of mixed asset investment particularly in the area of innovation technology.
4. To establish an Evergreen Fund for the long term financing of this program.
5. To encourage the development and use of modern technology and create a safe work environment.

## Amendments

The Whitewater CDA may from time to time amend the policies and procedures contained in this document. Any such changes are subject to the written approval by the Wisconsin Economic Development Council (WEDC).

## Award of funds does not guarantee plan approvals

The award of a Seed Capital **Catalyst** Fund loan and/or grant does not warrant or guarantee approval of the project by the City of Whitewater City Council or staff or the Whitewater Plan Commission. The approval is only for the Seed Capital **Catalyst** Fund program.

## 2. General Provisions

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### Seed Capital Catalyst Fund Administration

#### ~~Finance and Investment Committee~~

~~Three members of the Board of Directors for the Whitewater CDA will be appointed to serve as the Finance and Investment Committee. These members will be appointed by the Chair of the CDA. This committee will review and recommend applications to the full Board of Directors of the Whitewater CDA for their designee for final approval.~~

#### Seed Capital Catalyst Screening Committee

This committee will be comprised of 5 members with preference given to residents and/or business owners in the City of Whitewater. The committee will be charged with the responsibility of due diligence in reviewing applications from both private business applicants and University related applicants. University related is defined as University staff, students and alumni.

Two members will be appointed by the Chancellor of the University of Wisconsin- Whitewater. Three members will be appointed by the Chairperson of the Whitewater Community Development Authority. All terms will be for a three year period. The initial appointments will be staggered in years as agreed upon by the appointing authorities. The Committee Members will serve at the pleasure of their respective appointing authority.

#### Seed Capital Catalyst Fund Administrator

The Board of Directors of the Whitewater CDA has designated the CDA Executive Director to serve as the Fund Administrator.

The Fund Administrator explains the program to prospective applicants, provides written information, assists applicants in completing applications, and processes requests for financing. The Administrator, when necessary and appropriate, will counsel or guide applicants to other more appropriate technical or financial resources when the applicant has needs beyond those which may be met through this program.

The Fund Administrator will periodically review all financial statements and loan amortization schedules as well as review and approve documentation of business expenditures financed with the Seed Capital Funds. The Administrator will also maintain the Seed Capital **Catalyst** Program accounting records, which must be segregated from other CDA and City accounts, and report annually to the Wisconsin Economic Development Council regarding the use of Seed Capital **Catalyst** Fund.

The Fund Administrator will maintain all records for the Seed Capital **Catalyst** Fund.

The CDA's attorney will serve as legal counsel and will prepare all documents including, but not limited to: Equity Agreements, Performance Contracts, Grant Agreements, loan agreements, review promissory notes and mortgage or lien instruments, and counsel the CDA on all matters.

## Meetings

All meetings ~~for both the Finance and Investment Committee and~~ of the Seed Capital **Catalyst** Screening Committee will be held on an as needed basis. Pursuant to section 19.84, Wisconsin Statutes, all members will be given prior notice of each meeting. A majority of the Committee in attendance at a meeting will constitute a quorum which is required for official action. A member may attend the meeting electronically with full voting privileges but their presence will not be counted towards quorum. Official actions must have the support of a simple majority of the full membership of the Board.

As permitted in section 19.84, Wisconsin Statutes, the Board may adjourn into closed session to discuss matters. This must be duly noted on the meeting agenda.

## Records

Written records of all program activities, including minutes of the ~~Finance and Investment Committee,~~ the Seed Capital **Catalyst** Screening Committee meetings, meetings of the CDA Board at which action is taken with regard to the Seed Capital **Catalyst** Fund, applications, and all related documents, will be maintained in appropriate files. Files are to be maintained in a secure place with limited access only by authorized personnel. The CDA's legal counsel will be consulted in regard to compliance with state and municipal open records laws.

A master file must be established for each application. These files are to be maintained in a locked, fireproof file cabinet. The master file must include the following sub-files and contents (as appropriate):

1. **Application File.** All application, business financial statements, personal financial statements, credit reports, business plan documents, and other supporting loan information submitted to the CDA, including all applicable correspondence, will be placed in this file.
2. **Recommendation File.** This file will contain a summary of the analysis, recommended actions for the application, and a copy of the minutes of the Seed Capital Catalyst Fund Committee and the Finance and Investment Committee meetings and CDA Board meeting summarizing the action taken on the applicant's request.
3. **Closing File.** This file contains copies of all closing documents. This file contains the legal documents from the loan closing, including security instruments, the note, and other applicable correspondence. Originals of security instruments must be kept in the CDA's safety deposit box. The CDA's attorney should be involved in helping create and complete this file to ensure complete loan documentation. Copies of the closing documents and an amortization schedule will be provided to the applicant along with an invoice, if appropriate, for closing and servicing fees. **Monitoring File System.** A monitoring file system should be established and maintained to ensure that loan repayments, financial information, the applicant's agreement, UCC updates, and other time-sensitive documentation is tracked and obtained or updated as required. The system should include the following:
  - a. Expiration dates for property, casualty, and life insurance policies;
  - b. Due dates for all financial statements;
  - c. Expiration dates for UCC financial statements (reminder 45 days in advance);
  - d. Dates for site visits;
  - e. Dates of any scheduled changes in the loan amortization, and notification dates.
4. **Financial Statement File.** This file will contain the business' periodic financial statements as required by covenants, with a statement indicating that the Fund Administrator has reviewed the data.
5. **Progress Report File.** Recipients may be required to submit periodic progress reports during the outstanding term of the loan. The Fund Administrator should make periodic site visits to verify information in the progress report and financial statements. These site visits shall be documented for the file.
6. **Site Visit File.** Site visits should be conducted periodically to each loan recipient, the scheduling of which depends on the nature of the project. A summary of the site visits should be placed in the file, particularly highlighting any information that can help in rating the overall condition/risk of the applicant's progress.

7. Repayment Monitoring File. This file should include the loan amortization schedule, status of payments, and the outstanding balance of the loan. Observations suggesting concerns or problems should be reported to the CDA Board of Directors and notations should be placed in the Tickler File to remind the Administrator of the need to provide continued monitoring.
8. Review File. All projects are to be reviewed on an annual basis, and at such other times as may be deemed necessary by the CDA. The review should follow receipt of any required financial statements, the progress reports, and site visits. A report on the review will be placed in the file and may address the following:
  - a. Timeliness of payments (if applicable);
  - b. Condition of collateral securing the loan (if applicable) ;
  - c. Status of security documents;
  - d. Overall financial condition of the business;
  - e. Presence of material liens or lawsuits; and
  - f. Violations of covenants and suggested corrective actions.
9. If the business is experiencing problems with any of the above criteria, the Fund Administrator is to work with the recipient to identify actions needed to correct the deficiencies, including possible restructuring of the agreement to protect the CDA's interest and meet the needs of the business. If appropriate, the Administrator will arrange for business assistance through available public or private resources. In the event that the findings of the review suggest serious problems, particularly if the project is in risk of default, the account should be turned over to the CDA's attorney for legal action. Again, corrective actions may be achieved through restructuring or if necessary, foreclosure actions.

## Administration

No administrative funds may be withdrawn from the Seed Capital **Catalyst** Fund Program to cover personnel costs and other administrative expenses.

## Eligible Area

Projects must be located within the State of Wisconsin preferably the City of Whitewater in order to be eligible for awards made through the Seed Capital **Catalyst** Fund Program.

First priority will be given to applicants located in the City of Whitewater. Second priority will be for a business located outside the City of Whitewater but has business interests in the city. Third priority will be given to applicants who can demonstrate an economic benefit to the City of Whitewater despite being physically located outside the city.

## Eligible Applicants

No member of the CDA Board of Directors, the ~~Public Screening~~ **Capital Catalyst** Committee, or any other official, employee, or agent who exercises decision-making functions or responsibilities in connection with the implementation of the this program is eligible for financial assistance under this program.

No program awards will be made in conflict with Section 946.13 Wisconsin Statutes (Private Interest in Public Contract Prohibited).

Applicants may not be disqualified based on age, race, religion, color, handicap, sex, physical condition, or development disability as defined in s. 51.01 (5), sexual orientation or national origin.

## Eligible Activities

Funding is available to applicants under the ~~Seed~~ Capital **Catalyst** Fund for the following activities:

1. Examples of target sectors of industry:
  - a. Advanced Manufacturing
  - b. Agriculture/Food Processing
  - c. Information Systems/Software
  - d. Medical Devices and research
  - e. Renewable and Green Energy
2. Acquisition of land, buildings and fixed equipment;
3. Feasibility studies, consulting fees; legal fees associated with project development.
4. Site preparation and construction or reconstruction of buildings (including leasehold improvements), provided that they are in keeping with any covenants or design guidelines (such as the Whitewater Business Park Covenants) imposed by the City of Whitewater or Whitewater CDA, and are consistent with plans approved by the City of Whitewater Plan & Architectural Review Commission;
5. Installation of fixed equipment;
6. Payment of assessments to a business for sanitary sewers, water mains, public streets, and other improvements ;
7. ~~Seed~~ Capital **Catalyst** Funds may also be used to provide working capital for inventory and direct labor costs.

## Ineligible Activities

Program funding may not be used for the following activities:

1. Refinancing or consolidating of existing debt;
2. Reimbursement for expenditures made prior to application approval, unless previously negotiated;
3. Specialized equipment that is not essential to the business operation;
4. Residential construction or reconstruction unless such reconstruction is intended to convert the use of the residential building to a business or industrial operation.
5. Routine maintenance;
6. Establishment of a business that is inconsistent with the plans adopted by the City of Whitewater.

7. Other activities that the ~~Finance and Investment Committee~~ **Community Development Authority** may identify during the administration of the program.

## Ineligible Businesses

Program funds may not be made available to the following entities:

1. Real estate investment companies (except for facilities from which the business operates);
2. Lending institutions;
3. Gambling operations;
4. Recreational facilities which do not allow access to the general public;
5. Business that have over 90% of their income in direct consumer retail, restaurant or hospitality industry sectors;
6. Other businesses not serving the interests of the City of Whitewater;
7. Any government body or governmental entity (including the City of Whitewater or Whitewater CDA); and
8. Not-for-profit businesses or organizations unless a Payment in Lieu of Taxes (PILOT) is included in the agreement.

Businesses may apply for and be granted more than one award. The number of additional applications will be considered as part of the award criteria.

## Funding

The initial funds for the program will be from the following sources:

1. A grant of \$150,000 from the Wisconsin Economic Development Corporation.
2. A matching funding of \$150,000 from the Whitewater Community Development Authority.

Loan repayments of both principal and interest and all equity disbursements will be returned to the Seed Fund for additional awards.

## Types of Awards

The ~~Finance and Investment Committee~~ **Community Development Authority** will recommend that funds be awarded to an applicant in one or more of three ways. They are:

1. Direct grant of funds, with no required repayment.
2. An investment of funds where the CDA takes an equity position within the company as a form of repayment of the loan. The equity position may be no more than 25% of the total equity.
3. A loan that contains an amortization schedule with required payments of both principal and interest. A balloon payment maybe negotiated as part of the initial loan agreement.
4. A deferral of initial loan payments may be negotiated in order to assist the business in its start-up phase.

## Initial Sources of Funds

The initial uses of the funds will be as follows:

ASSISTANCE TYPE	USES	WEDC	MATCH	TOTAL
Grant Only	Direct Grant Funding	\$50,000		\$50,000
Any	General Seed Funding	\$100,000	\$150,000	\$250,000
Total		\$150,000	\$150,000	\$300,000

In addition, it is a requirement of the grant from the Wisconsin Economic Development Corporation that \$50,000 of their grant funds is allocated as direct grants of \$10,000 or less to applicants. These grants would not require a repayment of the funds.

## 3. Terms and Conditions

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### Terms and Conditions

Grant and loan terms along with award conditions will be structured based upon need and ability to repay. Minimum standards include the following:

1. **Grant Amount.** Grants will be limited to \$10,000 per entity. These grants do not have a repayment component.
2. **Loan Amount/ Equity Investment/Royalty Investments.** Loan amounts and equity or **Royalty** investments are subject to the availability of funds and the following:
  - a. The maximum amount under the ~~Seed Capital~~ **Catalyst** Fund will be \$100,000.
  - b. A larger amount may be recommended by the **Capital Catalyst Screening Finance and Investment** Committee where circumstances (for example, very high wages or potential economic impact) warrant it.
3. **Interest Rate.** The ~~Finance and Investment Committee~~ **Community Development Authority** will determine an interest rate subject to the following consideration:
  - a. The interest rate on ~~Seed Capital~~ **Catalyst** Fund loans may be set from a minimum of 3.00% to a rate equal to 2.00% above prime (defined as the prime rate of interest as published in the Midwest edition of the Wall Street Journal plus 2.00%).
  - b. The interest rate may be negotiated as part of the overall agreement.
4. **Terms.** All terms and conditions of the agreement will be negotiated on a case by case basis. Loan terms will be determined by the ~~Finance and Investment Committee~~ **Community Development Authority** subject to the following guidance:
  - a. The loan term for any loan made may not exceed 10 years, Unless, the CDA agrees to take an equity position in the business as part of the repayment agreement. Most equipment loans will not exceed 5 years, in order to simplify UCC monitoring requirements.
  - b. Loans for machinery, equipment, and fixtures will have a maximum term of five years.
  - c. Real estate loans will have a maximum term of ten years which can be amortized up to a twenty-year basis.
  - d. Loan terms will be set so that there is an approximate parity between the amortized balance of the loan and the remaining value of the collateral. Loans secured by rapidly-depreciated equipment should have a shorter amortization than loans secured by real estate.

- e. Loans may be amortized with balloon payments.
  - f. The term of any loan made under the Seed Capital **Catalyst** Fund may not exceed the term of private financing used to meet the matching funding requirements of the project
  - g. All loans will be written to require regular systematic payments as determined at the time of the award.
5. Deferment of Principal and Interest. The Seed Capital **Catalyst** Fund Committee may recommend deferring principal and/or interest payments on loans, based upon a demonstration of need by the recipient. Interest will accrue during the deferral period and may be paid in one lump sum at the end of the deferral period or added to the principal of the loan and amortized over the remaining term of the loan. Loan payments may be deferred for a maximum of twelve monthly payments (or one full year from the date the loan is originated).
  6. Prepayment. There are no penalties for prepayment of a loan.
  7. Collateral. The CDA will seek the best possible collateral position to ensure that Seed Capital **Catalyst** Fund loans are adequately secured.
  8. **No personal guarantees will be required from the applicant.**

## 4. Application Procedures

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### Discussion of Program Requirements

Prior to submitting an application, the applicant must discuss the program with the Fund Administrator. The Administrator will assist the applicant, as is reasonably necessary, in completing the application. All financial information will be kept in a secure place with limited access by authorized personnel only.

### Timing of Applications

There is no proscribed funding cycle for this program. Applications may be submitted at any time.

## Priority of Consideration

Applications are reviewed in the order received and based on readiness for the proposed project to proceed. In the event that the funds requests exceed available funds, the following criteria will be used to determine which business(es) will be awarded funding:

1. The extent to which jobs or tax base may be created.
2. Eligibility of the applicant.
3. Eligibility of the project to be undertaken.
4. Ability of the project to secure funding from other sources.
5. Extent to which other public funds are used to support the project.
6. The extent to which private funds are leveraged.
7. Other grants, loans or equity investments with the CDA.
8. Size of the funding requested.
9. Timing of the proposed expenditures.
10. Completeness of the application.
11. Other factors as deemed appropriate by the **Capital Catalyst Screening Finance and Investment Committee**.

## Application

Applicants must submit an application using the form available for the appropriate application form and that includes the following:

1. **Business Description:** A written description of the business including:
  - a. A brief history of the existing or proposed business, including when it started or is to start, type of operation, legal structure, market and products;
  - b. Potential markets and customers
  - c. Resumes of each principal associated with the business including number of years' experience in the business, educational background, and role in the business; and
  - d. A financial history, if available, of the business including balance sheets, profit/loss statements, cash flow statements, and accountant notes for the previous three years. For a startup business, personal income tax statements for the past three years could be required.
2. **Fund Sources:** A detailed description of the sources and uses of the funds needed for the project, including ~~Seed~~ Capital **Catalyst** funds, private sector funds, equity, etc.

3. Projected Expenditures: A detailed summary of any and all uses of the total sources of funding, including a budget and capital expenditures. In addition, copies of lease agreements should also be submitted.
4. Projections. Provide pro formas (a balance sheet, income statement and cash flow statement) covering a three year period based on the assumption that the business will obtain the requested award from the Whitewater CDA.
5. Additional Information. Additional information may be requested by the **Community Development Authority, its committees** ~~Finance and Investment Committee~~ or the Seed Fund Administrator.

## Review Process

Specific steps in the review process include the following:

1. Preliminary Review. The Fund Administrator will review the application for completeness and verify that the proposed project meets the minimum requirements. If the application is not complete, the Administrator will inform the applicant of the deficiencies and work with them to correct the areas of concern.
2. ~~Seed Capital~~ **Catalyst** Screening Committee. This committee will meet to review an application prior to the next ~~regularly~~ scheduled meeting of the ~~Finance and Investment Committee~~ **Community Development Authority**. Once the review is completed, the ~~Seed Capital~~ **Catalyst** Screening Committee will forward a recommendation to the ~~Finance and Investment Committee~~ **Community Development Authority** to either approve or deny the application, along with any recommended terms or conditions. **The Community Development Authority will have final approval of the request.**
3. ~~Finance and Investment Committee~~. ~~This committee will review the recommendations of the Seed Capital Screening Committee. This committee will complete the due diligence phase of the application to verify that the intent of the application is consistent with the original terms set forth by the Wisconsin Economic Development Corporation. This agreement is attached. The Finance and Investment Committee will forward their recommendation to the CDA for final approval.~~
4. Negotiation of Terms. Upon tentative acceptance by the CDA Board of Directors, the Administrator will contact the business in writing to explain the terms of the ~~loan~~ offer being extended.
5. Notice of Award. If the application is approved, a closing will be scheduled to execute the necessary documents.
6. Rejection of Award. If the applicant is not approved, the Administrator will send a letter to the applicant stating the reasons for the rejection and offering to meet with the applicant to explore ways to strengthen the request or to identify potential alternative sources of financing.

## 5. Distribution of Funds

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### Loan/Equity/Royalty Investment Procedures

Prior to releasing funds, the following documentation must be in place or provided at the appropriate time during the term of the loan.

1. Notice of Award. The Community Development Authority must have reviewed and approved a complete application for an eligible applicant.
2. ~~Loan/Equity~~ Investment Agreement. The CDA will prepare the documents to be executed by the CDA Director, CDA Board Chairperson or Co-Chair, and authorized representative(s) of the business.
3. Promissory Note. If required a promissory note will be prepared by the CDA and signed by the authorized representative of the business at the time of the closing. The note must be dated, it must reference the agreement between the CDA and the business, and it must specify the amount and terms of the loan funds delivered.
4. Security. As based upon the project mortgage and/or lien instruments ~~and/or personal guarantees~~ provided as security for all loans will be prepared by the CDA and executed at the time of the closing. The CDA must record the instrument and place a copy in the project file to include the following as warranted:
  - a. Guarantee agreement;
  - b. ~~Personal guarantees; and~~
  - c. Other documentation as may be appropriate.
5. Repayment Schedule. A loan repayment or amortization schedule will be prepared by the Fund Administrator at the time funds are disbursed. The repayment schedule will be attached to both parties' copies of the agreement.
6. Evidence of Eligibility for Permits, etc. Documentation must be provided that the applicant is eligible for all necessary permits, licenses, and other registrations. The ~~Finance and Investment Committee~~ **Community Development Authority** may allow for distribution of funds to assist the applicant in obtaining these documents.
7. Evidence of Program Expenditures. Documentation must be provided by the business to evidence the program expenditures. Documentation may include bills and invoices or receipts for materials, final bills of sale or cancelled checks. All documentation will be approved by the Fund Administrator.

8. **Fixed Equipment.** Fixed equipment financed with program funds must have been purchased, delivered and installed. The Fund Administrator will verify the installation of fixed equipment.
9. **Other Documentation.** As appropriate or necessary, the borrower may be asked to provide the following:
  - a. A Certificate of Status from the Department of Financial Institutions;
  - b. Articles of Incorporation and Bylaws;
  - c. A resolution of agreement to borrow funds;
  - d. Current financial statements;
  - e. Evidence of having secured other funds necessary for the project; and
  - f. An environmental assessment for real estate.

With the above documentation in place, the Fund Administrator will schedule a closing. Mortgages and UCC statements must be recorded with the Register of Deeds and the Secretary of State.

## Grant Procedures

Prior to releasing funds, the following documentation must be in place or provided at the appropriate time regarding the grant.

1. **Notice of Award.** The Community Development Authority must have reviewed and approved a complete application for an eligible applicant.
2. **Grant Agreement.** The CDA will prepare the grant agreement to be executed by the CDA Director, CDA Board Chairperson or Co-Chair, and authorized representative(s) of the business.
3. **Evidence of Eligibility for Permits, etc.** Documentation must be provided by that the applicant is eligible for all necessary permits, licenses, and other registrations. The Finance and Investment Committee may allow for distribution of funds to assist the applicant in obtaining these documents.
4. **Evidence of Program Expenditures.** Documentation must be provided by the business to evidence the program expenditures. Documentation may include bills and invoices or receipts for materials, final bills of sale or cancelled checks. All documentation will be approved by the Fund Administrator.
5. **Other Documentation.** As appropriate or necessary, the Grantee may be asked to provide the following:
  - a. A Certificate of Status from the Department of Financial Institutions;

- b. Articles of Incorporation and Bylaws;
- c. A resolution of agreement to borrow funds;
- d. Current financial statements;
- e. Evidence of having secured other funds necessary for the project; and
- f. An environmental assessment for real estate.

With the above documentation in place, the Fund Administrator will schedule a Grant closing. All documents will be executed before funds are disbursed.

## 6. Post-Approval Requirements

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### Obligation of the Applicant

In addition to the terms and conditions of the loan/grants, all applicants must agree to comply with the following conditions. These conditions must be written into the terms of the agreement prepared by the CDA.

1. **Non-Discrimination.** Not to discriminate on the basis of age, race, religion, color, handicap, sex, physical condition, development disability as defined in s. 51.05(5), sexual orientation or national origin in an employment or construction activity related to the use of the business loan funds.
2. **Use of Funds.** To use the proceeds only to pay the cost of services or materials necessary to complete the project or activity for which the funds were awarded.
3. **Inspections / Audit by the CDA.** To permit inspections by persons authorized by the CDA of all projects and properties assisted with the funds. Related project materials will also be open to inspections which include, but may not be limited to contracts, materials, equipment, payrolls, and conditions of employment. Requests for inspection / audits must be compiled with by the applicant.
4. **Records.** To maintain records on the project as may be requested by the CDA. These files must be maintained as long as the loan/grant/**investment** is active or for at least three years after completion of the work for which the loan/grant/**investment** has been obtained, whichever is longer.
5. **Progress Reports.** To submit periodic progress reports to the Fund Administrator in accordance with the schedule in the agreement.
6. **Compliance with Federal Law.** As required to abide by all federal laws, when applicable. These include, but may not be limited to the Civil Rights Act of 1964, the Age

Discrimination Act of 1975, the Davis-Bacon Act as amended, the Contract Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act, and all regulations pursuant to these acts.

## 7. Performance Monitoring

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### Private Leverage Commitments

The Fund Administrator may be required to monitor the use of funds and expenditure of private leverage commitments. Documentation may include invoices or receipts for materials and supplies, letters from lenders, final bills of sales, and cancelled checks.

### Default

In the event the business is in default on any of the terms and conditions of the loan agreement, all sums due and owing, including penalties, will, at the CDA's option, become immediately due and payable. Loans found to be in default may be subject to a default rate of the prime rate on interest on the date of closing (defined as the prime rate of interest as published in the Midwest Edition of the Wall Street Journal) plus two percent. To exercise this option, the CDA will prepare a written notice to the business. The notice must specify the following:

1. The default;
2. The action required to cure the default;
3. The date, not less than thirty days from the date of notice, by which the default may be cured to avoid foreclosure or other collective action; and
4. Any penalties incurred as a result of the default.

## 8. Use and Reporting of Payments

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### Use of Payments

Repaid loans and/or equity payments must be deposited into the Seed Capital **Catalyst** Fund Program account(s) and used in a manner consistent with the policies and procedures manual. A separate accounting record must be kept for each loan application to account for all funds disbursed.

### Reporting Requirements

The Seed Capital Fund Loan Program account(s) must be audited on an annual basis and the Fund Administrator must report semi-annually, June 30 and December 31, to the Wisconsin Economic Development Corporation regarding the use of program income. Reports must be submitted on forms proscribed by the Wisconsin Economic Development Corporation.

### Discontinued Economic Development Loan Program

In the event the Seed Capital **Catalyst** Fund Loan Program is discontinued or fails to meet the requirements set forth by the Wisconsin Economic Development Corporation, all program funds must be repaid to the Wisconsin Economic Development Corporation as provided in the applicable contracts.

## 9. Loan Program Servicing

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### Program Monitoring

The Fund Administrator will monitor each loan/grant to ensure compliance with the terms and conditions and to monitor the financial health of the business to ensure continued payment of the loan. The monitoring will also ensure that all record keeping requirements are met

The Fund Administrator will monitor the overall Seed Capital **Catalyst** Fund Program including all records of individual loans/grants, funds deposited to bank accounts, and other program funds. A schedule of outlining the equity of the Seed Fund in various projects is also required. The Fund Administrator will monitor the effectiveness of the Seed Capital **Catalyst** Fund Program, market the program, and recommend policy and procedures to the Board of Directors of the Whitewater CDA.

### Reporting to the CDA Board

The Fund Administer will prepare a semi-annual summary report of the Seed Capital **Catalyst** Fund Program and provide this to the CDA Board of Directors. The intent of the report is to offer a snapshot of the status of existing loans/grants, equity positions and balances in the program accounts. The report will include the following information:

1. Summary information for each outstanding loan, including the starting balance, payments received during the month, current balance, and status of payments;
2. Summary of information for each grant provided and the status of the business;
3. Summary of information for each equity position provided and the status of the business;
4. Summary information on—Seed Capital **Catalyst** Fund accounts, including starting balance, debits and credits to the accounts, and ending balances;
5. Funds available to be awarded and funds committed; and
6. A written summary of any collection activity or other non-routine activity relating to the program.

### Reporting to the City of Whitewater

The various programs offered through the Whitewater CDA are included in the financial information reported by the CDA to the City of Whitewater on an annual basis. Accounting for

these programs occurs within the financial reporting system used by the city. The CDA will report the balances of all Seed Capital **Catalyst** Fund accounts, outstanding loan balances, and all transactions that occurred during the reporting period. These program accounts are subject to the city's requirement for an annual audit.

## Program Records

The Fund Administrator will maintain records associated with the general administration of the Seed Capital **Catalyst** Fund, including:

1. Applications to the Wisconsin Economic Development Corporation for grant funds used to establish or fund the Seed Capital **Catalyst** Fund Program;
2. Contracts with the Wisconsin Economic Development Corporation for grant funds awarded;
3. Policy and procedures manuals or other guidance issued by the Wisconsin Economic Development Corporation relating to administration of the Seed Capital **Catalyst** Fund Program.
4. Policy and procedures manuals and other guidance adopted by the Whitewater CDA or City of Whitewater relating to the administration of the Seed Capital **Catalyst** Fund Program;
5. Documentation of any actions taken by the Whitewater CDA or City of Whitewater relating to the Seed Capital **Catalyst** Fund Program;
6. General documentation and correspondence relating to the Seed Capital **Catalyst** Fund Program;
7. Bank statements, checkbook registers, deposit records, check copies, certificates, and all other documentation relating to Seed Capital **Catalyst** funds deposited at area financial institutions;
8. Records of administrative expenses paid through the use of program funds;
9. Records of activity taken to market the Seed Capital **Catalyst** Fund Program;
10. Status Reports provided to the Whitewater CDA Board of Directors; and Semi-annual reports filed with the Wisconsin Economic Development Corporation.

## Program Monitoring Schedule

The Fund Administrator will establish a monitoring schedule to provide a reminder of the dates on which actions need to be taken to service the Seed Capital **Catalyst** Fund Program. The monitoring file should record the following dates:

1. Due dates of certificates of deposit in which program funds are invested;

2. Reporting dates to the Wisconsin Economic Development Corporation;
3. Date upon which the terms of outstanding loans are due to be modified according to the loan agreement;
4. Dates by which recipients are scheduled to provide financial statements or progress reports;
5. Expiration dates of required insurance;
6. Dates upon which loans are due to be paid off, or balloon payments are due;
7. Dates by which UCC Filings are scheduled to be renewed; and
8. Dates upon which annual recipient reviews are to be conducted

## Individual Loan Records

A Master File will be established for each awarded through the Seed Capital **Catalyst** Fund Program. The Master File will include several sub-files, with the contents arranged as follows:

1. Application File. This file contains all of the documentation relating to application
2. Recommendation File. This file will contain a record of deliberations in considering the request for a loan/grant under the Seed Capital **Catalyst** Fund Program
3. Closing File. This file includes all documentation relating to the closing of the loan/grant/**investment**. Some original documents may be kept in the CDA's safety deposit box for added security. Copies of these will be placed in the file along with a note indicating that the original is in the safety deposit box
4. "Tickler File" System. The "tickler file" is a listing of time-sensitive monitoring requirements, intended to alert the Fund Administrator to actions which may need to be taken to adequately secure the CDA's interests
5. Financial Statement File. This file contains the business's financial statements submitted to the CDA.
6. Site Visit File. This file will contain a record of site visits made by the Fund Administrator to the project location or award recipient.
7. Progress Report File. This file will contain progress reports submitted by the business.
8. Repayment Monitoring File. This file contains all records relating to the loan payment history of the loan recipient.
9. Annual File Review. This file will contain the Annual File Review report prepared by the Fund Administrator.

## Record Security

All files related to the various programs and to loans/grants/equity investment positions made under those programs will be maintained in a locked, fireproof file cabinet with access only by authorized personnel.

Original copies of mortgages and other recorded documents will be kept in the CDA's safety deposit box. Copies will be included in applicant's files maintained at the CDA's office.

## Payment Register

A Payment Register will be established for each loan. The Payment Register will include the following:

1. Dates on which payments are due;
2. Starting balance;
3. Amount paid;
4. Allocation of principle and interest;
5. Ending balance;
6. Check number (or notation if cash or electronic fund transfer); and
7. Date payment was received;

## Late Payment

All loan payments must be made in a timely manner. Payments made within ten (10) days of the due date will be considered on time. If payment is not received on the due date, the actual account balance will be compared to the scheduled balance shown on the amortization schedule. In the event that past payments have been larger than required, if the current balance is less than the scheduled balance, the payment will not be considered past due. The following procedure will apply to all past due loan payments:

1. Payment less than ten (10) days past due. The date on which payment is received will be noted on the loan repayment log. No further action will be taken.
2. Payment ten (10) days past due. The loan recipient will be contacted by telephone to notify them of the past due payment and to discuss when payment will be received. If applicable, a late fee may be assessed. A record of the telephone conversation will be placed in the loan file.
3. Payment fifteen (15) days past due. If payment is not received within fifteen (15) days of the due date, written notice will be sent to the loan recipient notifying them that

payment is past due and requesting immediate payment of the scheduled amount plus any applicable penalties. A copy will be placed in the loan payment file.

4. Payment thirty (30) days past due. A written notice will be sent to the loan recipient via certified mail, reminding them that payment is past due and notifying them of a potential default. The letter will include any actions that must be taken to avoid default, and the date by which action must be taken (not more than sixty (60) days from the date of the notice on which payment must be received). Notice will be given to the CDA Board at its next regularly scheduled meeting and the Board will determine if any additional steps are warranted.
5. Payment sixty (60) days past due. An additional written notice will be sent to the loan recipient via certified mail. This notice will contain the information included in the original notice and a reminder that the loan will be considered in default if payment is late by ninety (90) days or more.
6. The CDA Board will be updated on the status of the loan at its next regularly scheduled meeting. The Board will determine if any additional steps are warranted.
7. Payment ninety (90) days past due. In the event that payment is not received within ninety (90) days of its due date, the loan may be considered in default. All sums due or owing to the CDA may, at its option, become due and payable and may be subject to a default rate of interest, if provided for in the loan agreement. The CDA Board may turn the matter over to its attorney for legal action in order to recover loan proceeds through the liquidation of collateral and/or the exercising of personal guarantees.

## Troubled Accounts

When monitoring indicates that the recipient may be experiencing financial or potential problems that could threaten the viability of the loan or the business, the CDA will make appropriate attempts to assist the recipient. This includes but not limited to: additional visits, refinancing options, work with their Financial Advisor and Legal Counsel in the development of a financial plan.

The Fund Administrator will notify the ~~Finance and Investment Committee~~ **Community Development Authority** of any troubled loans and the steps being taken to rectify the problems.

## Accounts

Funds that are not awarded to businesses will be deposited in bank accounts. These funds should be divided among a checking account and certificates of deposit, maximizing both accesses to the funds to write new loans/grants, and interest earnings. The following guidelines apply:

1. Checking account – The checking account should target a balance of approximately \$250,000. This is approximately enough to complete two new loans during any quarter.
2. Certificate(s) of Deposit – Remaining funds over the \$250,000 balance in the checking account will be placed into certificates of deposit, coming due every 91 days at the end of each quarter (i.e., March 31, June 30, September 30, and December 31).

Appendix  
Application  
Copy of agreement with WEDC

# Spark Proposal

## State of Entrepreneurship in Wisconsin

Entrepreneurship is a growing focus both in Whitewater, WI and around the state, as it rightfully should be. Tim Kane, an economist with the Kaufmann Foundation notes, "Net job growth occurs in the U.S. economy only through startup firms." In fact, he points out that startups create an average of 3 million new jobs annually, while all other existing companies 1 year or older are "job destroyers," losing 1 million jobs per year. Based on that data, entrepreneurship and startups can be seen as the key driver in improving our local, state, and national economy.

In recent years, numerous programs have started across the state of Wisconsin in order to aid entrepreneurs in their new ventures. In Whitewater, programs such as Collegiate Entrepreneurs' Organization and Venture Hawks learning community provide an environment for students to discuss business ideas and learn from one another as well as from successful entrepreneurs. These organizations and the numerous entrepreneurship courses alike provide a breeding ground for new business ideas. However, a majority of these ideas never actually make it past the idea stage. The key reasons for this are a lack of confidence, funding, and support.

Programs around the state have been created to fill many of these needs not only for Whitewater, but also for the entire state of Wisconsin. Whitewater's own Capital Catalyst program provides grant money and/or equity investments to startups which helps alleviate the financial burden of starting a company. Another program in the state, Gener8tor, provides seed funding, mentorship, and office space to their startups. In addition, co-working spaces are opening in Madison and Milwaukee as a space for entrepreneurs to have affordable office space as well as a single place to meet, network, and provide support to each other. To top it, angel networks in Wisconsin are more present than ever in early stage startups.

## The Opportunity

The weakness in all of the programs is deal flow, but not in terms of numbers. Instead, there is a shortage of quality deal flow. Many times entrepreneurs simply have an idea, yet are out pitching for funding or applying for Gener8tor's accelerator program. While a select few of these ideas may be good enough for these groups, most of them are not, mainly because their ideas have not been tested and validated. In Lean Startup terms, these entrepreneurs and their ideas lack customer discovery. They have not taken their idea to market to receive feedback from potential customers as to whether their idea provides not only value, but also enough value to build a profitable business. Gener8tor works with its companies to get through customer discovery and on to the next stage of customer validation, but they generally look for ideas that have gone through at least some amount of customer discovery on their own. Thus, there is a clear need in Wisconsin, particularly in Whitewater where students have new ideas on a regular basis, for a program that helps students take their ideas through customer discovery.

## **Program Overview**

Spark will be a non-profit organization seeking to provide students and community members in Whitewater, WI with the funding, mentoring, and office space needed to take their ideas through the customer discovery phase of Lean Startup. Each participating company will receive the following:

1. Free incorporation
2. \$2,500 grant
3. A lean startup mentor
4. An industry mentor
5. Access to an additional mentor network
6. Office space for the duration of the program
7. Promotion on Spark's website
8. A copy of *The Entrepreneur's Guide To Customer Development* by Brant Cooper and Patrick Vlaskovits

## **Outcome Goals**

Spark is founded on three simple outcome goals:

1. Provide entrepreneurs with the resources they need to take their idea to the next stage of development.
2. Move participants through the customer development stage of Lean Startup.
3. Have 1 out of 4 companies (hopefully more) continue, following the program.

## **Administration**

The administration of the program will be done by a program board comprised of the Spark co-founder's, Andrew Hoeft and Dan Fink, as well as a group of entrepreneurs and program mentors that volunteer to participate on the board. The term for each non-co-founder board position will be one-year with no limit on the number of terms they can serve.

## **Application Process**

The website for Spark will include an online application. Participants will be asked to answer details regarding their idea, any key progress made, market potential, etc. in the application. The applications will be reviewed and promising applicants will be notified to participate in a final screening interview. A sub-set of the program board will then conduct the screening interviews and select the final participants.

## **Program Space**

Office space will be made available to participants in downtown Whitewater or at the Innovation Center. The exact location of the program is to be determined at this time.

## **Participants**

Program participation is open to all UW-Whitewater students and Whitewater community members. Company ideas are limited to software and hardware ideas. Life style companies as well as service-based companies will not receive enough benefit from the program and thus are not eligible. Each program session will span an academic semester, typically four months long, based on the UW-Whitewater academic calendar, with an initial program starting in January 2014. Initially, Spark will start its first program of the year every spring semester and continue it's second program with four new companies for the fall semester. Four participating companies will be allowed in each session.

## **Program Kick-Off**

Each program will start with a kick-off event where participants will meet with a lawyer to finalize the incorporation process including distribution of ownership amount each participant in a company, introduction to lean startup mentors, and guest speakers. Each of the lean startup mentors will speak with all companies at this event and will be assigned to a specific company/participant afterward based on interest and expertise.

## **Program Structure**

Participants in Spark will take their ideas through customer discovery as described in *The Entrepreneur's Guide To Customer Development*. This book was chosen as the curriculum for the program as it focuses participants on actually going outside of the office to engage potential customers in order to learn and better evolve their business model instead of reading a lengthy text. The majority of the program is left largely unstructured accept for weekly phone calls or meetings with mentors. That way, the entrepreneurs focus their time on meeting with customers and developing their product and business model instead of going through programming sessions. Outcomes for each participating company will be to finalize the following:

1. Complete a business model canvas through validated learning
2. Confirm a problem-solution fit
3. Propose an minimum viable product (MVP) and begin development
4. Find funnels that will aid in distribution of the product
5. Determine a road map for the next steps in funding, hiring, etc.
6. Prepare for launch day

## **Spark Launch Day**

At the end of each session, participants will be able to showcase their progress during a launch event. Each participant will have the opportunity to make a four (4) minute presentation to community members, students at UW-Whitewater, mentors, and potential investors. This event not only serves as promotion for the participants and their companies, but also for Spark. Ideally, the event and press surrounding it will help fuel applications for future programs.

## **Participant Use of Funds**

Following the open program structure, the use of funds will be left fairly open for the participants. This is because each team will bring a different mix of talent to the table and will need to spend money differently to acquire additional talent, and resources. Participants can choose to spend the money to pay themselves, additional staff, purchase marketing collateral, build a MVP, travel to meet with customers and attend industry conferences and more.

This open model does present some risk of misuse of funds. As a result, two protections are built into the program model to minimize the risk. The first protection is the application process itself. This process will act as a screening to find the individuals that have the drive to make their idea successful and aren't just looking for an easy paycheck. The second protection is a payment plan. Participants will only receive \$1,000 at the beginning of the program and will receive the remaining \$1,500 in monthly stipends of \$500 for each of the following three months.

## **Program Funding**

The nature of Spark is not to build a profitable program. Instead, the goal is to play a part in helping entrepreneurs build successful companies. Investing at companies as early stage as this program's participants will be is extremely risky, which is a large reason why similar programs do not already exist.

As a result, Spark will be a non-profit organization and will be funded by donations from community members, government grants, and additional donors. A 501(c)(3) status will be pursued through a fiscal sponsorship through the Whitewater Community Development Authority. The non-profit status will allow donors to receive a tax benefit for their donation amount. Program donors will also have the opportunity to meet with participants that decide to seek additional funding first.

In order to fund the first two classes of four (4) companies each, Spark will need estimated funds of \$35,000. This amount covers the grants and incorporation for each company (\$22,000), office furniture and materials (\$5,000), office space (\$5,000), kick-off and launch event funds (\$2,000), and marketing materials to promote Spark within the community (\$1,000).

As long as Spark meets its program goals during the first session, additional sessions will follow in 2015. Funding for these additional sessions will also come from donations and government grants.

### **The Future of Entrepreneurship in Wisconsin**

Spark will continuously evolve to improve and adapt to the surrounding environments. As the program evolves then other cities and regions in the state can easily adopt to Spark. This will have colossal effect on the state. More programs like Spark will act as a feeder program to Gener8tor and other programs alike. This is similar to the MLB where they have feeder leagues to build up talent with the end goal of getting the best in the MLB. This eventually, with the support of the agencies and organizations in the state, will create an entire ecosystem with programs like Spark throughout the state of Wisconsin.