

JEFFERSON COUNTY ECONOMIC DEVELOPMENT CONSORTIUM (JCEDC) & THRIVE ED BOARD AGENDA

Wednesday, February 28, 2024

8:00 a.m. - Continental Breakfast / Networking

8:30 a.m. - Meeting

UW Extension/Workforce Development, 864 Collins Road, Room 8, Jefferson, WI 53549

AND VIA Zoom

Zoom Link: <https://us06web.zoom.us/j/86431259008?pwd=U2FveTM4TTUyTDF1dzJUcGp2SGpZZz09>

Meeting ID: 864 3125 9008

Passcode: 417932

Dial by your location: 1-309-205-3325

Board Members – Jefferson County Economic Development Consortium (JCEDC)

Rebecca Houseman - City of Fort Atkinson, Drake Daily– City of Lake Mills, Timothy Freitag – City of Jefferson, Everett Butzine– City of Waterloo, Emily McFarland – City of Watertown, John Weidl– City of Whitewater, Lisa Moen – Village of Cambridge, Kyle Ellefson - Village of Johnson Creek, Kathy Weiss – Village of Palmyra, County Supervisor Bruce Degner, County Supervisor Mark Groose, County Supervisor Karl Zarling

Board Members – ThriveED

David Schroeder, Brian Knox. Casey Malesevich, Tom Dehnert, Scott Lausten, Don Lunak, Sr., Matt Mauthe, Andy Nelson, Joshua Patterson, Kevin Paynter, Nate Salas, Stewart Wangard, Rebecca Houseman, Everett Butzine, Paul Ambrose, Tina Crave, Kellie Karpinski, Richard Keddington, Shawna Marquardt, James Nelson, Ben Wehmeier

- I. Call To Order
- II. Roll (Establish a quorum)
- III. Certificate of Compliance with Open Meeting Laws
- IV. Approval of Agenda – February 28, 2024
- V. Approval of JCEDC/ThriveED Minutes – December 21, 2023
- VI. Public Comment – Members of the public who wish to address the board on specific agenda items must register their request at this time.
- VII. Discussion of Urban Towns Bill
- VIII. JCEDC/ThriveED Reports
 - a. Discussion and Approval of Finance Reports for JCEDC
 - b. Discussion and Approval of Finance Reports for ThriveED
 - c. Discussion: Board Committees
 - i. Standing Committees
 1. Executive Committee
 2. Finance, Audit & Compliance Committee
 3. Investor Relations Committee – Kevin Kaufmann Chair
 - ii. Ad hoc Committee
 1. Housing
 - iii. Discussion of Proposed Committee Members
 - d. Staffing Update
 - i. Report: Corporate Operating System – inVantage
 - e. Thriving Business
 - i. Presentation: Opportunity Pipeline
 - ii. Update: Jefferson County Food & Beverage Innovation Campus
 - f. Diverse Housing

- i. Live Local Development Fund (LLDF)
 - 1. Discussion: LLDF Memorandum
 - 2. Update: Ixonia State Bank Investment
 - ii. Update: Jefferson County HUD Application
 - g. Activated Workforce
 - i. Update: Latino Academy Career Fair – Watertown
 - h. Trust & Partnerships
 - i. Report: Every Child Thrives Transformation Council
 - ii. Report: Upcoming Presentations
 - 1. Watertown
 - 2. Fort Atkinson
 - iii. Community Discussion
 - 1. JCEDC board members are encouraged to share a brief update about their community, initiatives and/or challenges
 - iv. Thrive Board Discussion
 - 1. Thrive board members are encouraged to share a brief update about their company, initiatives and/or challenges
 - i. General Updates
 - i. Upcoming Events
 - 1. February 28, 2024 – 4:00 – 5:30 pm Conversations with ThriveED – Network’d Coworking, 201 N Main Street, Fort Atkinson, WI Sponsored by Fort Healthcare
 - 2. April 4, 2024 – 8:30 am JCEDC/ThriveED Education Session

IX. Adjournment

Our Vision Statement is: JCEDC / ThriveED will lead change necessary to support economic growth in Greater Jefferson County that results in healthy, thriving, and growing communities.

Our Mission Statement is: JCEDC / ThriveED will engage the public and private sectors in actions focused on attracting and supporting business growth that benefits the residents and communities in the Greater Jefferson County area.

Jefferson County Economic Development Consortium (JCEDC) and ThriveED
Board of Directors Meeting
December 21, 2023 – Meeting held in person and via Zoom.

Zoom Link: <https://us06web.zoom.us/j/86431259008?pwd=U2FveTM4TTUyTDF1dzJUcGp2SGpZZz09>
Meeting ID: 864 3125 9008
Passcode: 417932

Board Members - JCEDC

Rebecca Houseman - City of Fort Atkinson, Drake Daily– City of Lake Mills, Timothy Freitag – City of Jefferson, Everett Butzine– City of Waterloo, Emily McFarland – City of Watertown, John Weidl– City of Whitewater, Lisa Moen – Village of Cambridge, Kyle Ellefson - Village of Johnson Creek, Kathy Weiss – Village of Palmyra, County Supervisor Bruce Degner, County Supervisor Mark Groose, County Supervisor Karl Zarling

Board Members – ThriveED

David Schroeder, Brian Knox. Casey Malesevich, Tom Dehnert, Scott Lausten, Don Lunak, Sr., Karie Martin, Matt Mauthe, Andy Nelson, Joshua Patterson, Kevin Paynter, Nate Salas, Stewart Wangard, Rebecca Houseman, Everett Butzine, Paul Ambrose, Tina Crave, Kellie Karpinski, Richard Keddington, Shawna Marquardt, James Nelson, Ben Wehmeier

I. **Call to Order** - Meeting called to order by at 8:31 am.

II. **Roll Call – Quorum Established**

- JCEDC Board Members Present:
Rebecca Houseman - City of Fort Atkinson, Drake Daily– City of Lake Mills, Everett Butzine– City of Waterloo, Emily McFarland – City of Watertown, Kyle Ellefson - Village of Johnson Creek, Kathy Weiss – Village of Palmyra, Bill Christ – Village of Cambridge, County Supervisor Bruce Degner, County Supervisor Mark Groose, County Supervisor Karl Zarling
- ThriveED Board Members Present
David Schroeder, Brian Knox, Tom Dehnert, Kevin Kaufman, Kellie Karpinski, Don Lunak, Sr., Casey Malesevich, Andy Nelson, James Nelson, Joshua Patterson, Kevin Paynter, Nate Salas, Tina Crave, Shawna Marquardt, Scott Lausten, Stewart Wangard, Rebecca Houseman, Everett Butzine, Ben Wehmeier
- Staff Present: Julie Olver, Deb Reinbold, Deb Sybell, RoxAnne Witte
- Others Present: Mason Becker and Buck Smith

III. **Certification of compliance with Open Meeting Law Requirements**

Staff certified compliance for the agenda dated December 21, 2023.

IV. **Approval of Agenda**

Crave/Daily moved to approve agenda as presented. Motion passed.

V. **Approval of Minutes**

Knox/Butzine moved to approved August 24, 2023 JCEDC & ThriveED minutes as printed. Motion passed.

VI. **Public Comments – None**

Kathy Weiss and Kevin Kaufmann arrive at 8:40 am.

VII. **JCEDC/ThriveED Reports**

- a. **Discussion and Approval of Finance Reports for Economic Development and Homebuyer Program**
Butzine/Zarling moved to approve the Finance Reports for Economic Development and Homebuyer Program as printed. Motion passed.
- b. **Discussion and Approval of Finance Reports for ThriveED**
Knox/Patterson moved to approve the Finance Reports for ThriveED as printed. Motion passed.
- c. **Discussion and Approval of ThriveED 2024 Budget**
Knox/Kaufmann moved to approve ThriveED 2024 Budget with the FAB Innovation Loan noted in the footnotes. Motion passed.
- d. **Discussion: Board Committees**
Discussion was held on creating the following committees for 2024 – Investors Relations, Finance and Housing. These suggestions will be discussed at the Executive Committee in January 2024.
- e. **Staffing Updates**
 - i. Reinbold reported that Phil Ostroski is no longer employed as the Revolving Loan Fund Manager.
 - ii. Reinbold updated the board on the training staff are receiving with inVantage and new software that will be implemented in the future.
- f. **Thrive Website**
Olver updated the board on the new ThriveED website she is creating. Discussion was held on what information will be collected for the new site. No action taken.

g. Thriving Business

- i. **Presentation: Opportunity Pipeline**
Reinbold gave an update on projects in the Opportunity Pipeline. No action taken.
- ii. **Update: Jefferson County Food & Beverage Innovation Campus**
Reinbold updated the on the plans for expansion. No action taken.

h. Diverse Housing

- i. **Update: Live Local development Fund**
 1. Sybell reported that one application was approved, but developer not able to get deal to pencil out/cash flow and two applications are pending. No action taken
 2. Loan committee is working on finalizing language for the Loan Policy. No action taken.
- ii. **Update: Jefferson County HUD Application**
Application submitted, waiting for final approval. No action taken.
- iii. **Report: National Rural Housing Conference**
Reinbold gave an update on the conference she attended in Washington DC. No action taken.
- iv. **Report: WHEDA Conference**
Sybell gave an update on the WHEDA conference that staff recently. Jefferson County is getting notice for things we are doing regarding housing and the lack thereof. No action taken.

i. Activated Workforce

- i. **Report: Latino academy Career Fair – Whitewater**
The Latino Academy Career Fair was held on October 26th. Sponsors for the event were Latino Academy of Workforce Development, Whitewater School District, City of Whitewater, and Whitewater Chamber of Commerce. We had 47 participants and 15 employers in attendance. No action taken.
- ii. **Report: Wisconsin Talent Attraction Community Partner Network**
Reinbold will be participating in this network as an ambassador. No action taken.

j. Trust & Partnership: Reinbold, Sybell and Wehmeier, gave brief updates on the following topics. No action taken.

- i. **Report: Fort Atkinson Capital Catalyst Revolving Loan Fund**
Sweet Spot Coffee Shop
- ii. **Report: Jefferson County Strategic Plan Updates**
- iii. **Report: Every Child Thrives Transformation Council**
- iv. **Report: Leadership Watertown**
- v. **Report: Investor Presentations**
Local Government Academy – Fort Atkinson
- vi. **Community Discussion**
JCEDC board members are encouraged to share a brief update about their community, initiatives and/or challenges. Updates were given on community initiatives. No action taken.
- vii. **Thrive Board Discussion**
THRIVE board members are encouraged to share a brief update about their company, initiatives and/or challenges. Updates were given on business activity, challenges, and initiatives. No action taken.

k. Thrive ED Investors Meeting – Elections

At the ThriveED Annual Meeting held on October 12, 2023 for following 2024 slate of officers were presented for approval – Kevin Kaufman – Chairperson, Tina Crave – Vice Chairperson, Casey Malesevich – Secretary/Treasurer Kaufmann/Knox moved to approve the 2024 ThriveED slate of officers. Motion passed.

l. General Updates

- i. **Upcoming Events**
 - January 25, 2024 JCEDC/ThriveED Executive Committee Meeting
 - February 22, 2024 – JCEDC/Thrive Board of Directors Meeting

VII. Adjournment

There being no further business to come before the JCEDC or ThriveED board for consideration at this time. Zarling/Knox moved to adjourn.
Meeting adjourned at 10:03 am.

Jefferson County Economic Development Consortium

December 31, 2023

Revenue	December 31, 2023		
	Year To Date Forecast	2023 Budget	
JCEDC GHDP Service fees	135,000.00	135,000.00	
GHDP Reimbursable Expenses	6,136.22	1,000.00	
Federal Funds ARPA	73,975.85	122,826.00	
Contract for LTE	75,000.00	31,000.00	
Reimbursed Program Expenses	2,000.00	-	
V-Cambridge	148.50	148.50	
V-Johnson Creek	5,103.00	5,103.00	
V-Palmyra	2,581.50	2,581.50	
C-Fort Atkinson	18,874.50	18,874.50	
C-Jefferson	11,620.50	11,620.50	
C-Lake Mills	9,678.00	9,678.00	
C-Waterloo	5,446.50	5,446.50	
C-Watertown	22,137.00	22,137.00	
C-Whitewater	6,300.00	6,300.00	
Jefferson County	129,864.00	129,864.00	
Contra Account	(14,116.90)	(14,177.00)	
TOTAL	\$489,748.67	\$487,402.50	100.5%

Expenditures	December 31, 2023		
	Year To Date Forecast	2023 Budget	
Personnel	355,446.75	427,420.00	83%
Professional Services - Contract LTE	13,237.50	31,000.00	43%
Professional Services	900.00	-	
Web Page Development	2,017.42	2,471.00	82%
Office Expense	5,861.75	9,913.00	59%
Membership	3,069.19	3,960.00	78%
Professional Development	9,424.57	8,000.00	118%
Meeting Expenses	514.53	1,000.00	51%

Expenditures	December 31, 2023		
	Year To Date Forecast	2023 Budget	
Instructional Materials	507.40	500.00	101%
Subscriptions	8,070.05	9,000.00	90%
Internet/Phones/Mis	14,001.84	18,141.00	77%
Other Operating	-	1,000.00	0%
Travel Related	3,105.73	5,300.00	59%
Other Insurance	3,678.13	4,427.00	83%
Railroad Consortium	14,000.00	14,000.00	100%
Vehicle Repair	-	-	
Fleet Allocation	1,556.64	-	
Repair & Maintenance - Office	969.44	-	
TOTAL	\$436,360.94	\$536,132.00	81%

2023 SUMMARY

	December 31, 2023	
	Year To Date Forecast	2023 Budget
Revenues	\$489,748.67	\$487,402.50
Expenses	\$436,360.94	\$536,132.00
Total Profit/Loss	\$53,387.73	(\$48,729.50)

1/1/2023 JCEDC Operating Reserve Carryforward Balance

Vested Benefits Balance	-\$20,386.48
JCEDC Operating Reserve Balance	\$326,501.30

Note - These balances will update once County closes 2023 and makes their adjustments.

**Jefferson County Economic Development Consortium
Home Buyer Program
December 31, 2023**

Income	December 31, 2023 Forecast Year To Date	2023 Budget	
V- Cambridge	9.90	9.90	100%
V-Johnson Creek	340.20	340.20	100%
V-Palmyra	172.10	172.10	
C- Fort Atkinson	1,258.30	1,258.30	100%
C-Jefferson	774.70	774.70	100%
C-Lake Mills	645.20	645.20	100%
C-Waterloo	363.10	363.10	100%
C-Watertown	1,475.80	1,475.80	100%
C-Whitewater	420.00	420.00	100%
Jefferson County	8,657.60	8,657.50	100%
DPP Home Buyer Program	-	15,000.00	0%
DPA Home Buyer Program	-		
Repayment of HBC Inc. Homebuyer Loans	5,200.00	1,500.00	347%
Applied Operating Reserve	26,129.58	34,738.20	75%
TOTALS	45,446.48	\$ 65,355.00	70%

Expenses	December Forecast Year To Date	2023 Budget	
Personnel	45,446.48	65,355.00	70%
TOTALS	\$45,446.48	\$65,355.00	70%

2023 Summary		
	Year To Date	Budget
Revenues	\$ 45,446.48	\$ 65,355.00
Expenses	\$ 45,446.48	\$ 65,355.00
Total Profit/Loss	\$ -	\$ -
<hr/>		
1/1/2023 Operating Reserve Carryforward balance		\$116,955.05
Vested Benefits Balance	(\$8,148.49)	
Homebuyer Program Operating Reserve Balance	\$108,806.56	
Note - These balances will update once County closes 2023 and makes their adjustments.		

**Jefferson County Economic Development Consortium
January 31, 2024**

	January 31, 2024	January 31, 2024		
	Forecast	Year To Date	Forecast	2024 Budget
Revenue				
JCEDC GHDP Service fees	-	-	135,000.00	0%
GHDP Reimbursable Expenses	-	-	1,500.00	0%
JCEDC Service Fees - Homebuyer	-	-	10,000.00	0%
JCEDC Service Fees - LLDf	-	-	35,000.00	0%
V-Cambridge	-	-	151.50	0%
V-Johnson Creek	-	-	5,097.00	0%
V-Palmyra	2,566.00	2,566.00	2,566.50	100%
C-Fort Atkinson	18,753.00	18,753.00	18,753.00	100%
C-Jefferson	-	-	11,620.50	0%
C-Lake Mills	-	-	10,039.50	0%
C-Waterloo	5,469.00	5,469.00	5,469.00	100%
C-Watertown	22,000.50	22,000.50	22,000.50	100%
C-Whitewater	6,465.00	6,465.00	6,465.00	100%
Jefferson County	-	-	129,897.00	0%
ARPA Funds	-	-	131,379.00	0%
WEDC Funds	-	-	50,000.00	0%
TOTAL	55,253.50	55,253.50	574,938.50	85%

	January 31, 2024	January 31, 2024		
	Forecast	Year To Date	Forecast	2024 Budget
Expenditures				
Personnel	34,157.89	34,157.89	507,867.00	7%
Professional Services	14.50	14.50	25,000.00	0%
Web Page Development	1,719.00	1,719.00	4,000.00	43%
Office Expense	943.35	943.35	9,663.00	10%
Instructional Materials	-	-	500.00	0%
Subscriptions	5,748.40	5,748.40	9,000.00	64%
Membership	-	-	4,000.00	0%
Meeting Expenses	-	-	1,000.00	0%
Professional Development	1,426.04	1,426.04	8,750.00	16%

Expenditures	January 31, 2024	January 31, 2024		
	Forecast	Year To Date Forecast	2024 Budget	
Internet/Phones/Mis	1,541.83	1,541.83	18,502.00	8%
Travel Related	191.67	191.67	5,300.00	4%
Other Insurance	338.08	338.08	4,057.00	8%
Railroad Consortium	14,000.00	14,000.00	14,000.00	100%
Fleet Allocation	-	-	1,900.00	0%
R & M - Office - Office	-	-	500.00	0%
Other Operating	-	-	1,000.00	0%
TOTAL	60,080.76	60,080.76	615,039.00	10%

2024 SUMMARY

	January 31, 2024	January 31, 2024	
	Forecast	Year To Date Forecast	2024 Budget
Revenues	55,253.50	55,253.50	574,938.50
Expenses	60,080.76	60,080.76	615,039.00
Total Profit/Loss	(4,827.26)	(4,827.26)	(40,100.50)

1/1/2023 JCEDC Operating Reserve Carryforward Balance

Vested Benefits Balance	(20,386.48)
JCEDC Operating Reserve Balance	326,501.30

Note - These balances will update once County closes the year and makes their adjustments.

Thrive ED
Balance Sheet Prev Year Comparison
As of December 31, 2023

	<u>Dec 31, 23</u>	<u>Dec 31, 22</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
1002 · Checking - Badger Bank	118,800.82	93,977.75	24,823.07	26.4%
1003 · Savings - FCCU	77,467.44	100,046.48	-22,579.04	-22.6%
1004 · Checking - FCCU	6,632.39	51,847.32	-45,214.93	-87.2%
Total Checking/Savings	<u>202,900.65</u>	<u>245,871.55</u>	<u>-42,970.90</u>	<u>-17.5%</u>
Total Current Assets	<u>202,900.65</u>	<u>245,871.55</u>	<u>-42,970.90</u>	<u>-17.5%</u>
TOTAL ASSETS	<u>202,900.65</u>	<u>245,871.55</u>	<u>-42,970.90</u>	<u>-17.5%</u>
LIABILITIES & EQUITY				
Equity				
3200 · Unrestricted Net Assets	245,871.55	175,215.27	70,656.28	40.3%
Net Income	-42,970.90	70,656.28	-113,627.18	-160.8%
Total Equity	<u>202,900.65</u>	<u>245,871.55</u>	<u>-42,970.90</u>	<u>-17.5%</u>
TOTAL LIABILITIES & EQUITY	<u>202,900.65</u>	<u>245,871.55</u>	<u>-42,970.90</u>	<u>-17.5%</u>

Thrive ED
Profit & Loss Prev Year Comparison
January through December 2023

	Jan - Dec 23	Jan - Dec 22	\$ Change	% Change
Ordinary Income/Expense				
Income				
4100 · Event revenue	2,070.13	4,195.55	-2,125.42	-50.7%
4200 · Investor Support 2022-2026 CC	167,600.00	156,700.00	10,900.00	7.0%
4250 · Housing Initiative	50,000.00	75,000.00	-25,000.00	-33.3%
4300 · Grants Received	22,570.00	20,784.00	1,786.00	8.6%
Total Income	242,240.13	256,679.55	-14,439.42	-5.6%
Expense				
5000 · Management fees	135,000.00	135,000.00	0.00	0.0%
5100 · Events	2,395.86	3,940.26	-1,544.40	-39.2%
5200 · Printing	0.00	16.00	-16.00	-100.0%
5400 · Professional fees	0.00	450.00	-450.00	-100.0%
5500 · Insurance	450.00	1,186.00	-736.00	-62.1%
5600 · Filing fees	79.00	79.00	0.00	0.0%
5700 · Postage	195.00	58.00	137.00	236.2%
5800 · Accounting Services	925.00	610.00	315.00	51.6%
6000 · Web Page	2,000.00	2,000.00	0.00	0.0%
6100 · Void Checks/Transactions	0.00	0.00	0.00	0.0%
6200 · Membership	0.00	350.00	-350.00	-100.0%
6300 · Housing Initiatives	97,301.81	23,300.14	74,001.67	317.6%
6400 · Training	20,978.00	17,923.15	3,054.85	17.0%
6500 · Miscellaneous	0.00	50.00	-50.00	-100.0%
6600 · Interest -Capital Campaign Note	0.00	1,460.00	-1,460.00	-100.0%
6700 · Meals	662.50	0.00	662.50	100.0%
6800 · LLDF	25,572.40	0.00	25,572.40	100.0%
Total Expense	285,559.57	186,422.55	99,137.02	53.2%
Net Ordinary Income	-43,319.44	70,257.00	-113,576.44	-161.7%
Other Income/Expense				
Other Income				
9000 · Interest Income	331.11	392.67	-61.56	-15.7%
9010 · Miscellaneous Income	17.43	6.61	10.82	163.7%
Total Other Income	348.54	399.28	-50.74	-12.7%
Net Other Income	348.54	399.28	-50.74	-12.7%
Net Income	<u>-42,970.90</u>	<u>70,656.28</u>	<u>-113,627.18</u>	<u>-160.8%</u>

Thrive ED
Balance Sheet Prev Year Comparison
As of January 31, 2024

	<u>Jan 31, 24</u>	<u>Jan 31, 23</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
1002 · Checking - Badger Bank	133,810.58	98,982.54	34,828.04	35.2%
1003 · Savings - FCCU	77,467.44	100,046.48	-22,579.04	-22.6%
1004 · Checking - FCCU	36,850.74	50,547.27	-13,696.53	-27.1%
Total Checking/Savings	248,128.76	249,576.29	-1,447.53	-0.6%
Other Current Assets				
12000 · Undeposited Funds	0.00	5,000.00	-5,000.00	-100.0%
Total Other Current Assets	0.00	5,000.00	-5,000.00	-100.0%
Total Current Assets	248,128.76	254,576.29	-6,447.53	-2.5%
TOTAL ASSETS	<u>248,128.76</u>	<u>254,576.29</u>	<u>-6,447.53</u>	<u>-2.5%</u>
LIABILITIES & EQUITY				
Equity				
3200 · Unrestricted Net Assets	202,900.65	245,871.55	-42,970.90	-17.5%
Net Income	45,228.11	8,704.74	36,523.37	419.6%
Total Equity	248,128.76	254,576.29	-6,447.53	-2.5%
TOTAL LIABILITIES & EQUITY	<u>248,128.76</u>	<u>254,576.29</u>	<u>-6,447.53</u>	<u>-2.5%</u>

Thrive ED
Profit & Loss Prev Year Comparison
January 2024

	<u>Jan 24</u>	<u>Jan 23</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
4200 · Investor Support 2022-2026 CC	15,000.00	10,000.00	5,000.00	50.0%
4250 · Housing Initiative	30,211.53	0.00	30,211.53	100.0%
Total Income	45,211.53	10,000.00	35,211.53	352.1%
Expense				
6300 · Housing Initiatives	0.00	1,343.75	-1,343.75	-100.0%
Total Expense	0.00	1,343.75	-1,343.75	-100.0%
Net Ordinary Income	45,211.53	8,656.25	36,555.28	422.3%
Other Income/Expense				
Other Income				
9000 · Interest income	16.58	48.49	-31.91	-65.8%
Total Other Income	16.58	48.49	-31.91	-65.8%
Net Other Income	16.58	48.49	-31.91	-65.8%
Net Income	<u>45,228.11</u>	<u>8,704.74</u>	<u>36,523.37</u>	<u>419.6%</u>

**Glacial Heritage Development Partnership
ThriveED**

**Capital Campaign - Accounts Receivable
January 31, 2024**

2022-2026 CC Investor Pledges Invoiced and unpaid as of 01/31/2024

2022 Pledges		\$1,500.00	
Landmark Credit Union	\$1,500.00 ²		
 2023 Pledges		 \$12,000.00	
Caine Companies	\$3,000.00		Invoice Date - March 15, 2023
State Bank of Reeseville	\$2,500.00 ¹		
Bank First	\$5,000.00		
Landmark Credit Union	\$1,500.00 ²		Invoice Date - November 30, 2023
 TOTAL INVOICED		<hr/> \$13,500.00	

¹ State Bank of Reeseville- did commit during interview, but never signed commitment letter, did invoice

² Landmark Credit Union did sign a commitment letter - their 2022 and 2023 remains unpaid

Note: Bank First check received 2/21/2024



City of Fort Atkinson
City Manager's Office
101 N. Main Street
Fort Atkinson, WI 53538

MEMORANDUM

DATE: January 16, 2024

TO: Fort Atkinson City Council

FROM: Rebecca Houseman, City Manager

RE: Review and possible action relating to a Resolution of the City Council of the City of Fort Atkinson Opposing Wisconsin 2023 Senate Bill 691 and 2023 Assembly Bill 768

BACKGROUND

In September 2023, members of the Wisconsin Legislature introduced a bill allowing certain towns to designate themselves as “urban towns,” a designation that would limit the effect of extraterritorial zoning and plat approval and annexation by other municipalities. At that time, staff prepared a letter in opposition to the bill and sent it to Senator Nass and Representative Johnson, which represent the City of Fort Atkinson in the Senate and Assembly, respectively.

In late December 2023, the League of Wisconsin Municipalities announced that the bill had been named SB 691/AB 768, had legislative sponsors, and would move forward with a public hearing in front of the Senate Transportation and Local Government Committee. The text of the bill is attached for review. This public hearing took place on January 10, 2024. I attended the hearing and spoke in opposition to the bill. The written testimony I submitted is attached to this memorandum.

DISCUSSION

SB 691/AB 768 provides towns with a population over 5,000 the ability to self-designate as an “urban town” without review or approval of the Department of Administration, a designated review board, a regional planning commission, or any other board or agency. There is no requirement for a public hearing, referendum, or any other way for representatives from a neighboring municipality to raise concerns or objections.

The bill removes city or village review of growth near their borders and will force cities and villages with capacity to extend water and sewer services outside their boundaries to service properties within the town. It also exempts urban towns from extraterritorial plat approval and zoning. To ensure growth that is consistent with community objections, neighboring cities and villages that have extraterritorial plat approval jurisdiction review development for compliance with municipal ordinances, local comprehensive plans, and official maps. Without this check, urban towns would be able to sprawl without regard to existing patterns or plans for

development. The bill also requires any future city or village annexations of land within a designated urban town to be unanimous annexations.

There are 1,253 towns in Wisconsin. There are 32 towns that would currently qualify for an “urban town” designation. There are many others that may qualify in the future based on current criteria. Likewise, if the bill became law, it would be easy for the Legislature to continually decrease the minimum population or other criteria to appease town residents who may not like the decisions of an adjacent municipality, thus qualifying many more towns for the self-designation.

Note that 72% of the state’s population currently reside in cities and villages. Ninety percent of the state’s commercial property value is located within cities and villages, as is 89% of the state’s manufacturing value. Nearly all the state’s airports and commercial ports, 153 of the state’s 155 hospitals, 342 public libraries, and all of the state’s public and private colleges and universities are located within cities and villages. Cities and villages continue to be the state’s economic engines. Inhibiting or stopping the growth of such cities and villages would negatively impact the economic outlook of the entire state.

Wisconsin law already provides several options for towns that want to provide additional services for their residents or control additional land use decisions. Towns can adopt their own zoning ordinances. Towns can include planned growth areas within their comprehensive plans. Towns can enter into cooperative boundary agreements with neighboring cities and villages. Towns can adopt village powers, and towns can incorporate into cities or villages.

FINANCIAL ANALYSIS

SB 691/AB 768, if made into law, may not have any immediate financial impact on the City of Fort Atkinson. However, if it is adopted and the surrounding town were to qualify as an urban town and so designate in the future, there would be several dire financial consequences including, but not limited to, the following:

- Increase cost to current water and sewer rate payers due to the increase in infrastructure necessary to serve town residents. The bill requires that town residents pay the initial cost of the infrastructure, but there are opportunity costs associated with using capacity for less dense single-family development (instead of commercial or industrial development) as well as repair, maintenance, and replacement costs associated with additional infrastructure. There would also be less control over the effluent received by the wastewater treatment plant and may negatively impact the City’s ability to treat to the standards required by the DNR.
- If the City is not permitted to grow, the tax base cannot grow. Without a growing tax base, the City will not be able to pay for existing critical services provided to residents including Fire, EMS, Police, and Public Works. This problem would be exacerbated by the additional residents of the town who would use the City’s roads, parks, and other infrastructure without paying their fair share of the costs.

RECOMMENDATION

Staff recommends the City Council adopt the Resolution opposing Wisconsin 2023 Senate Bill 691 and 2023 Assembly Bill 768 and direct the City Manager to provide a copy of the Resolution to the members of the State Legislature representing the City, as well as the League of Wisconsin Municipalities, the bill's authors, and the Senate and Assembly Committees on Local Government.

ATTACHMENTS

Resolution of the City Council of the City of Fort Atkinson Opposing Wisconsin 2023 Senate Bill 691 and 2023 Assembly Bill 768; 2023 Senate Bill 691; September 27, 2023 Opposition Letter; January 10, 2024 Urban Towns Testimony

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FORT ATKINSON
OPPOSING WISCONSIN 2023 SENATE BILL 691 AND 2023 ASSEMBLY BILL 768**

WHEREAS, Wisconsin law creates and recognizes the purpose of a number of governmental structures to best service the needs of its citizens, including general purpose governments such as cities and villages, towns, counties, and special purpose districts such as school districts and sanitary districts; and

WHEREAS, these governmental units have the power and authority granted to them under state law; and

WHEREAS, in addition to this statutory authority and power, cities and villages are granted home rule authority which grants more flexibility for these bodies to govern themselves and provide services to their citizens; and

WHEREAS, towns were created within counties to enable sparsely populated areas to provide fundamental services for themselves; and

WHEREAS, existing state law permits residents of territory lying within one or more towns to incorporate the territory as a city or village, should those citizens desire more governmental services; and

WHEREAS, cities and villages have used their powers under state law to institute long-term planning and investment of resident taxpayer dollars to efficiently and effectively provide needed and capital-intensive services such as drinking water, sanitary sewer, stormwater, and other expanded municipal services; and

WHEREAS, such expanded municipal services require city and village residents and taxpayers to pay the costs to plan for, build, maintain, and operate these infrastructure investments; and

WHEREAS, SB-691 and AB-768 would allow certain urban towns over 5,000 in population to mandate cities and villages to extend drinking water and sanitary sewer services outside their municipal boundaries to serve properties within the town, without requiring those properties within the town to share in the costs borne by city and village residents to plan for and construct the infrastructure; and

WHEREAS, SB-691 and AB-768 fails to account for the ways in which this mandate would undermine the considerations made in the long-term planning and investments made by the city and village residents and taxpayers based on their projected needs within their corporate boundaries; and

WHEREAS, the limitations imposed by SB-691 and AB-768 on fees charged to ratepayers added to a municipal injure existing ratepayers by failing to allow the municipality to charge a reasonable fee to the new users to account for the investments already made by existing ratepayers; and

WHEREAS, SB-691 and AB-768 may further bypass deliberative, long-term infrastructure planning and add additional costs, risks, and operational concerns for city and village residents by dictating the precise point on the drinking water or sanitary sewer system from which the municipality must extend service or provide connection; and

WHEREAS, along with requiring mandatory extension and connection to sewer and water systems, SB-691 and AB-768 also exempts an urban town from extraterritorial zoning or extraterritorial plat approval by a neighboring city or village, thereby minimizing the compatibility of uses and planned organizational growth into these boundary areas and further undermining a municipality's ability to provide sound, long-term infrastructure planning to its own residents.

NOW, THEREFORE, THE CITY OF FORT ATKINSON CITY COUNCIL DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City Council believes there are significant policy, funding, and taxpayer fairness concerns with the 2023 Senate Bill 691 and 2023 Assembly Bill 768.

Section 2. The City Council believes its existing residents would be harmed by the mandates upon municipal services set forth in 2023 Senate Bill 691 and 2023 Assembly Bill 768.

Section 3. The City Council opposes 2023 Senate Bill 691 and 2023 Assembly Bill 768.

Section 4. The City Council directs the City Manager to deliver this resolution to members of the State Legislature representing City of Fort Atkinson residents.

Adopted this 16th day of January 2024.

CITY OF FORT ATKINSON

Bruce Johnson, Council President

ATTEST:

Michelle Ebbert, City Clerk/Treasurer/Finance Director



2023 SENATE BILL 691

November 21, 2023 - Introduced by Senators TESTIN, JAMES, QUINN, STAFSHOLT and WANGGAARD, cosponsored by Representatives HURD, KRUG, MACCO, MURSAU, O'CONNOR, PETRYK, SCHMIDT and WITTKE. Referred to Committee on Transportation and Local Government.

1 **AN ACT to amend** 62.23 (7a) (a) and 236.02 (5); and **to create** 60.10 (1) (h),
2 66.0217 (14) (c) and 66.0813 (7) of the statutes; **relating to:** water and
3 sewerage system connections and annexation of territory and extraterritorial
4 zoning in certain towns.

Analysis by the Legislative Reference Bureau

This bill allows certain towns to designate themselves as “urban towns,” a designation that would limit the effect of extraterritorial zoning and plat approval and annexation by other municipalities. The bill also requires local governments to allow connection, with certain limited exceptions, to their water or sewerage systems by certain other local governments.

Under the bill, a town that meets all of the following may designate itself as an “urban town” upon approval by the town meeting:

1. The town has a population of more than 5,000 and a population density of 750 persons in any one square mile.
2. The town provides law enforcement service.
3. The town has enacted a subdivision ordinance.
4. The town has enacted a zoning ordinance or is subject to county zoning.

Under the bill, a town that has been designated as an urban town is not subject to extraterritorial zoning or extraterritorial plat approval by a neighboring city or village. Also under the bill, certain significantly developed territory of an urban town may not be annexed to a city or village except by unanimous approval of all of the property owners of the property to be annexed. The territory covered by this

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limitation is territory in the urban town that is within three miles of the corporate limits of a first, second, or third class city, or one and one-half miles of a fourth class city or a village if 1) the territory has an average of more than 30 housing units per quarter section or 2) the territory has an assessed value, more than 25 percent of which is attributable to existing or potential mercantile, manufacturing, or public utility uses.

The bill also requires certain governmental units (cities, villages, and sanitary or utility districts located in cities and villages) to allow connection with limited exceptions to their sewer or water systems by urban towns (urban towns and sanitary or utility districts located in urban towns), and vice versa. Specifically, under the bill, an urban town may request the extension or connection of water or sewer service from an adjacent governmental unit by filing a written request for connection. The governmental unit may disapprove a request only if its water or sewerage system does not have sufficient capacity to serve the area that is the subject of the request as of the date of the filing. Likewise, a governmental unit may request an extension or connection to the sewer or water system of an urban town and the request must be approved unless the system does not have sufficient capacity to serve the area covered by the request. The bill also provides that a landowner may request a lateral connection to the water or sewerage system of a governmental unit or urban town. A request of this sort may also be denied only upon a determination of insufficient capacity.

For further information see the local fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 60.10 (1) (h) of the statutes is created to read:

2 60.10 (1) (h) *Urban town designation.* Designate the town as an urban town
3 if all of the following apply:

4 1. The town has a population of more than 5,000 and a population density of
5 750 persons in any one square mile.

6 2. The town provides law enforcement service in one of the manners provided
7 under s. 60.56 (1) (a) 1. to 4.

8 3. The town has enacted a subdivision ordinance under s. 236.45 (2) (ac).

9 4. The town has enacted a zoning ordinance under s. 60.61 or 60.62 or is subject
10 to county zoning under s. 59.69.

SENATE BILL 691

1 **SECTION 2.** 62.23 (7a) (a) of the statutes is amended to read:

2 62.23 (7a) (a) Extraterritorial zoning jurisdiction means the unincorporated
3 area, other than qualified urban town territory, as defined in s. 66.0217 (14) (c) 1.,
4 within 3 miles of the corporate limits of a first, second or third class city, or 1 1/2 miles
5 of a fourth class city or a village. The unincorporated area subject to extraterritorial
6 zoning jurisdiction includes areas that are either surrounding or entirely
7 surrounded by a single city or village. Wherever extraterritorial zoning jurisdictions
8 overlap, the provisions of s. 66.0105 shall apply and any subsequent alteration of the
9 corporate limits of the city by annexation, detachment or consolidation proceedings
10 shall not affect the dividing line as initially determined under s. 66.0105. The
11 governing body of the city shall specify by resolution the description of the area to
12 be zoned within its extraterritorial zoning jurisdiction sufficiently accurate to
13 determine its location and such area shall be contiguous to the city. The boundary
14 line of such area shall follow government lot or survey section or fractional section
15 lines or public roads, but need not extend to the limits of the extraterritorial zoning
16 jurisdiction. Within 15 days of the adoption of the resolution the governing body
17 shall declare its intention to prepare a comprehensive zoning ordinance for all or part
18 of its extraterritorial zoning jurisdiction by the publication of the resolution in a
19 newspaper having general circulation in the area proposed to be zoned, as a class 1
20 notice, under ch. 985. The city clerk shall mail a certified copy of the resolution and
21 a scale map reasonably showing the boundaries of the extraterritorial jurisdiction
22 to the clerk of the county in which the extraterritorial jurisdiction area is located and
23 to the town clerk of each town, any part of which is included in such area.

24 **SECTION 3.** 66.0217 (14) (c) of the statutes is created to read:

SENATE BILL 691**SECTION 3**

1 66.0217 (14) (c) 1. In this paragraph, “qualified urban town territory” means
2 the territory of an urban town designated under s. 60.10 (1) (h) that is within 3 miles
3 of the corporate limits of a 1st, 2nd, or 3rd class city, or 1.5 miles of a 4th class city
4 or a village if any of the following applies to the entire territory of the urban town
5 satisfying the proximity requirement under this subd. 1. (intro.):

6 a. The territory has an average of more than 30 housing units per quarter
7 section, excluding any mercantile, manufacturing, public utility developed areas,
8 publicly owned land, and areas where residential development is impracticable due
9 to geographic features, perpetually restricted development rights, or state law.

10 b. The territory has an assessed value for real estate tax purposes, more than
11 25 percent of which is attributable to existing or potential mercantile,
12 manufacturing, or public utility uses.

13 2. No qualified urban town territory may be annexed to a city or village unless
14 the annexation is by unanimous approval under sub. (2).

15 **SECTION 4.** 66.0813 (7) of the statutes is created to read:

16 66.0813 (7) (a) In this subsection:

17 1. “Commission” means the public service commission.

18 2. “Governmental unit” means a city or village that owns, operates, manages,
19 or controls a water or sewerage system or a sanitary or utility district that owns,
20 operates, manages, or controls a water or sewerage system that is located, in whole
21 or in part, in a city or village.

22 3. “Lateral” means the water or sewer lateral or service pipes to be constructed
23 or located from the lot line or near the lot line to the main or from the lot line to the
24 building to be serviced, or both.

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1 4. “Sewerage system” means all structures, conduits, pipelines, and
2 appurtenances by which sewage, storm water, or surface water are collected,
3 transported, pumped, treated, and disposed of, except plumbing inside and in
4 connection with buildings served, and service pipes from building to street main.

5 5. “Urban town” means an urban town designated under s. 60.10 (1) (h) that
6 owns, operates, manages, or controls a water or sewerage system or a sanitary or
7 utility district that owns, operates, manages, or controls a water or sewerage system
8 that is located, in whole or in part, in an urban town.

9 6. “Water system” means all structures, conduits, and appurtenances by means
10 of which water is delivered to consumers, except piping and fixtures inside buildings
11 served and service pipes from building to street main.

12 (b) 1. Notwithstanding subs. (1) and (3) to (5), an urban town may request the
13 extension or connection of water or sewer service from an adjacent governmental
14 unit by filing a written request for connection with the governmental unit’s clerk or,
15 if the governmental unit does not have a clerk, the governmental unit’s secretary.
16 The urban town shall specify in its request the area that will be served by the
17 extension or connection. The urban town may specify the point on the water or
18 sewerage system from which service is to be extended or connected.

19 2. A governmental unit shall make a written determination approving or
20 denying a request under subd. 1. within 45 days of receiving the request. The
21 governmental unit may disapprove a request under subd. 1. only if its water or
22 sewerage system does not have sufficient capacity to serve the area that is the subject
23 of the request as of the date of the filing under subd. 1. The system shall be
24 considered to have sufficient capacity if the urban town agrees to pay for the
25 expansion of the system to accommodate the request.

SENATE BILL 691**SECTION 4**

1 3. An urban town may appeal a denial under subd. 2. to the commission. The
2 commission may include in its decision conditions on the extension or connection of
3 service to ensure that costs resulting from the extension or connection are borne by
4 the users causing the costs and that the connection point is reasonable. The urban
5 town or the governmental unit may appeal the decision of the commission to the
6 circuit court for the county in which the proposed extension or connection would
7 occur.

8 4. Upon extension or connection pursuant to an approval under subd. 2. or 3.,
9 the portion of the water or sewerage system located in the urban town shall be owned
10 and maintained by the urban town unless the urban town and the governmental unit
11 agree otherwise.

12 5. Upon extension or connection pursuant to an approval under subd. 2. or 3.,
13 the governmental unit may charge benefited landowners in the urban town a fee that
14 bears a reasonable relationship to the costs incurred by the governmental unit in
15 providing the water or sewer service to those benefited properties. A fee is
16 unreasonable under this subdivision if it does not directly arise out of the
17 governmental unit's cost or if it is not proportionate to what a similarly situated
18 parcel in the governmental unit would be charged for the same service.

19 6. The cost of an urban town's construction and connection of its water or
20 sewerage system to a governmental unit's water or sewerage system pursuant to an
21 approval under subd. 2. or 3. is the responsibility of the urban town.

22 (c) 1. Notwithstanding subs. (1) and (3) to (5), a governmental unit may request
23 the extension or connection of water or sewer service from an adjacent urban town
24 by filing a written request for connection with the urban town's clerk, or if the urban
25 town does not have a clerk, the urban town's secretary. The governmental unit shall

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1 specify in its request the area that will be served by the extension or connection. The
2 governmental unit may specify the point on the water or sewerage system from
3 which service is to be extended or connected.

4 2. An urban town shall make a written determination approving or denying a
5 request under subd. 1. within 45 days of receiving the request. The urban town may
6 disapprove a request under subd. 1. only if its water or sewerage system does not
7 have sufficient capacity to serve the area that is the subject of the request as of the
8 date of the filing under subd. 1. The system shall be considered to have sufficient
9 capacity if the governmental unit agrees to pay for the expansion of the system to
10 accommodate the request.

11 3. A governmental unit may appeal a denial under subd. 2. to the commission.
12 The commission may include in its decision conditions on the extension or connection
13 of service to ensure that costs resulting from the extension or connection are borne
14 by the users causing the costs and that the connection point is reasonable. The urban
15 town or governmental unit may appeal the decision of the commission to the circuit
16 court for the county in which the proposed extension or connection would occur.

17 4. Upon extension or connection pursuant to an approval under subd. 2. or 3.,
18 the portion of the water or sewerage system located in the governmental unit shall
19 be owned and maintained by the governmental unit unless the urban town and the
20 governmental unit agree otherwise.

21 5. Upon extension or connection pursuant to an approval under subd. 2. or 3.,
22 the urban town may charge benefited landowners in the governmental unit a fee that
23 bears a reasonable relationship to the costs incurred by the urban town in providing
24 the water or sewer service to those benefited properties. A fee is unreasonable if it

SENATE BILL 691**SECTION 4**

1 does not directly arise out of the urban town's cost or if it is not proportionate to what
2 a similarly situated parcel in the urban town would be charged for the same service.

3 6. The cost of construction and connection of the water or sewerage system of
4 a governmental unit to an urban town's water or sewerage system pursuant to an
5 approval under subd. 2. or 3. is the responsibility of the governmental unit.

6 (d) 1. Notwithstanding subs. (1) and (3) to (5), a landowner may request a
7 lateral connection to the water or sewerage system of a governmental unit or urban
8 town by filing a written request for connection with the clerk of the governmental
9 unit or urban town or, if the governmental unit or urban town does not have a clerk,
10 the governmental unit's secretary.

11 2. A governmental unit or urban town shall make a written determination
12 approving or denying a request under subd. 1. within 45 days of receiving the
13 request. The governmental unit or urban town may disapprove a request under
14 subd. 1. only if its water or sewerage system does not have sufficient capacity to serve
15 the landowner as of the date of the filing under subd. 1. The system shall be
16 considered to have sufficient capacity if the landowner agrees to pay for the
17 expansion of the system to accommodate the request.

18 3. A landowner may appeal a denial under subd. 2. to the commission. The
19 commission may include in its decision conditions on the lateral connection to ensure
20 that costs resulting from the lateral connection are borne by the landowner. The
21 landowner or the governmental unit or urban town may appeal the decision of the
22 commission to the circuit court for the county in which the proposed lateral
23 connection would occur.

24 4. Upon connection pursuant to an approval under subd. 2. or 3., the
25 governmental unit or urban town may charge the landowner a fee that bears a

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1 reasonable relationship to the costs incurred by the governmental unit or urban town
2 in providing the water or sewer service to the landowner’s property. A fee is
3 unreasonable if it does not directly arise out of the governmental unit’s or urban
4 town’s cost or if it is not proportionate to what a similarly situated parcel in the
5 governmental unit or urban town would be charged for the same service.

6 5. The cost of constructing and installing the lateral connection to the water or
7 sewerage system of the governmental unit or urban town pursuant to an approval
8 under subd. 2. or 3. is the responsibility of the landowner. The governmental unit
9 or urban town may charge the landowner a lateral connection fee that is equivalent
10 to the lateral connection fee that would be charged to a similarly situated parcel in
11 the governmental unit or urban town.

12 6. A governmental unit or urban town may not prohibit a lateral connection
13 under this paragraph except for prior nonpayment of water or sewer charges by the
14 landowner.

15 (e) An intergovernmental cooperation agreement may not include a limitation
16 on the ability of an urban town to seek or obtain extension or connection of water or
17 sewer service under par. (b).

18 **SECTION 5.** 236.02 (5) of the statutes is amended to read:

19 236.02 (5) “Extraterritorial plat approval jurisdiction” means the
20 unincorporated area, other than qualified urban town territory, as defined in s.
21 66.0217 (14)(c) 1., within 3 miles of the corporate limits of a first, second or third class
22 city, or 1 1/2 miles of a fourth class city or a village.

23 (END)



City of Fort Atkinson
City Manager's Office
101 N. Main Street
Fort Atkinson, WI 53538

September 27, 2023

Via email:

Sen.Nass@legis.wisconsin.gov

Rep.Johnson@legis.wisconsin.gov

Subject: Opposition to the Proposed Urban Towns Bill (LRB 4336)

Dear Senator Nass and Representative Johnson:

I am writing to express my deep concerns and opposition to the proposed Urban Towns Bill, LRB 4336. As the City Manager of the City of Fort Atkinson, I believe that this legislation would have a detrimental impact on cities and villages in Wisconsin, including our own community. I urge you to consider opposing this bill for the following reasons:

- 1. Loss of Local Control:** LRB 4336 would significantly diminish local control and decision-making authority, undermining the principles of home rule and the ability of our city to address its unique needs and challenges.
- 2. Erosion of Zoning Regulations:** The bill would weaken municipal zoning regulations, leading to haphazard urban development in rural areas that may not align with the existing character and values of Fort Atkinson.
- 3. Increased Traffic Congestion and Required Maintenance:** The urbanization of areas without proper planning can result in increased traffic congestion, impacting the quality of life for residents and creating safety hazards. New infrastructure constructed to support unplanned town development would need to be maintained and eventually replaced. The state and local municipalities already struggle to maintain existing roads, and adding roads to serve less dense town areas would exacerbate the problem.
- 4. Strain on Infrastructure:** Rapid, unplanned urban development could strain our city's infrastructure, including utilities and public services, leading to increased costs for taxpayers. Many municipalities oversize water and sewer infrastructure to prepare for businesses or industries to locate or grow within the municipality. Using that capacity to serve 1-2-acre lots with single-family dwellings outside the taxing jurisdiction contradicts and nullifies long-standing efforts at economic and community development.
- 5. Environmental Impact:** Towns typically have fewer regulations relating to stormwater run-off, open burning, and gravel surfaces. The bill may allow towns with such a development style to locate immediately adjacent to the borders of a city or village, inhibiting planned growth and negatively impacting the quality of life for city or village residents.
- 6. Discouraging Consolidation:** Overall, this bill removes any motivation for cities, villages, and towns to work together to solve local problems. The intent of the Innovation Fund

created by Act 12 is to incentivize local governments to consolidate, combine, and/or efficiently manage municipal services. This bill would have the opposite effect on efficiency and encourage conflictual relationships between residents and elected officials in cities, villages, and towns throughout the state.

The City of Fort Atkinson is a member of the League of Wisconsin Municipalities and supports this organization's opposition to LRB 4336 as outlined in the attached memo.

In conclusion, I strongly urge you to oppose the Urban Towns Bill, LRB 4336, to protect the home rule authority provided to cities and villages in State Statute and preserve local control by local elected officials. I appreciate your dedication to serving our community and trust that you will consider these concerns as you deliberate on this important legislation.

Thank you for your time and consideration.

Sincerely,

Rebecca Houseman

Rebecca Houseman
City Manager
City of Fort Atkinson

Enclosure: LWM Urban Towns Legislative Memo

CC: Fort Atkinson City Council; League of Wisconsin Municipalities; Jefferson County Administrator



City of Fort Atkinson
City Manager's Office
101 N. Main Street
Fort Atkinson, WI 53538

DATE: January 10, 2024

TO: **Senate Committee on Transportation and Local Government:**
Senator and Chairperson Tomczyk, Senator and Vice-Chairperson Cowles,
Senator Hutton, Senator Carpenter, and Senator Pfaff

FROM: **Rebecca Houseman, Fort Atkinson City Manager**

RE: **Testimony in Opposition of SB 691 (Urban Towns Bill)**

Thank you for holding this public hearing and encouraging participation in the review of this proposed bill. I am here today to express my deep concerns and opposition to the proposed Urban Towns Bill, SB 691. As the City Manager of the City of Fort Atkinson, I believe that this legislation would have a detrimental impact on cities and villages in Wisconsin, including my own community. I urge you to consider opposing this bill for the following reasons:

- 1. Loss of Local Control:** SB 691 would significantly diminish local control and decision-making authority, undermining the principles of home rule and the ability to address our City's unique needs and challenges.
- 2. Erosion of Zoning Regulations:** The bill would weaken municipal zoning regulations, leading to haphazard urban development in rural areas that may not align with the existing character and values of the City or Village, the Town, and the County.
- 3. Increased Traffic Congestion and Required Maintenance:** The urbanization of areas without proper planning can result in increased traffic congestion, impacting the quality of life for residents and creating safety hazards. New infrastructure constructed to support unplanned town development would need to be maintained and eventually replaced. The state and local municipalities already struggle to maintain existing roads, and adding roads to serve less dense town areas would exacerbate the problem.
- 4. Strain on Infrastructure:** Rapid, unplanned urban development could strain our city's infrastructure, including utilities and public services, leading to increased costs for taxpayers. Many municipalities oversize water and sewer infrastructure to prepare for businesses or industries to locate or grow within the municipality. Using that capacity to serve 1-2-acre lots with single-family dwellings outside the taxing jurisdiction contradicts and nullifies long-standing efforts at economic and community development.
- 5. Environmental Impact:** Towns typically have fewer regulations relating to stormwater run-off, open burning, and gravel surfaces. The bill may allow towns with such a development style to locate immediately adjacent to the borders of a city or village, inhibiting planned growth and negatively impacting the quality of life for city or village residents.
- 6. Discouraging Consolidation:** Overall, this bill removes any motivation for cities, villages, and towns to work together to solve local problems. The intent of the Innovation Fund

created by Act 12 is to incentivize local governments to consolidate, combine, and/or coordinate to efficiently manage municipal services. This bill would have the opposite effect on efficiency and encourage conflictual relationships between residents and elected officials in cities, villages, and towns throughout the state.

The Town of Koshkonong surrounds the City of Fort Atkinson. While the Town of Koshkonong is not eligible to designate itself as an Urban Town under this bill at this time; if it becomes law, the Town may be able to designate in the future. If the Town of Koshkonong could self-designate as an urban town, it would block the City's growth and halt our ability to provide additional housing for our thriving businesses. Without growth of our tax base, we will not be able to sustain critical services such as Fire/EMS and Police, which are required through Act 12's maintenance of effort provisions.

The City of Fort Atkinson contracts with the Towns of Koshkonong, Hebron, Oakland, Sumner, and Jefferson for Fire and/or EMS services. The City has entered into intergovernmental agreements and memorandums of understanding with the Town of Koshkonong relating to plowing roads, trimming trees, assessing the condition of roads, certain engineering services, and other services. We work together with our neighbors to provide efficient, effective services. Allowing towns to seize home rule authority through self-designation as an urban town negates these efforts and discourages future collaboration.

The City of Fort Atkinson is a member of the League of Wisconsin Municipalities and supports this organization's opposition to SB 691.

In conclusion, I strongly urge you to oppose SB 691 to protect the home rule authority provided to cities and villages in State Statute and preserve local control by local elected officials. I appreciate your dedication to serving our state and trust that you will consider these concerns as you deliberate on this important legislation.

Respectfully submitted,

Rebecca Houseman
City Manager, City of Fort Atkinson
rhouseman@fortatkinsonwi.gov
(920) 397-9901

Pipeline Activity Between 12/21/2023 - 2/27/2024

Active Date	Project Name	Project Stage	Locations Considered	Opportunity Type	Pipeline Description (Public)
05/11/2022	Accelerate	ACTIVE - HIGH	Jefferson (J)	Business Attraction	Vacant building - looking for tenant
02/07/2022	All Saints	ACTIVE - 50/50	Jefferson (J)	Residential Development	Redevelopment project - historic tax credits
9/22/2023	Cane	PRELIMINARY - Too new to know!	Johnson Creek (J)	Residential Development	Multi-family development.
01/14/2020	Corner	ACTIVE - 50/50	Jefferson County	Mixed-Use Development	Assist developer with mixed-use development including incentives.
05/11/2023	Dove	ACTIVE - HIGH	Jefferson (J)	Attraction	WEDC FAB Attraction project
9/7/2023	Palm	ACTIVE - 50/50	Palmyra (J)	Mixed-Use Development	Assist developer with mixed-use development including incentives.
09/06/2022	Pink	ACTIVE - 50/50	Jefferson (J)	Mixed-Use Development	Mixed-use development.
9/19/2023	Pitstop	ACTIVE - LOW	Jefferson (J)	Mixed-Use Development	Mixed-use development
07/20/2023	Sunset	ACTIVE - HIGH	Lake Mills (J)	Business Expansion	Existing manufacturer expansion
1/31/2024	Kreek	Eliminated	Johnson Creek (J)	Residential Development	Redevelopment project
1/10/2024	History	ACTIVE - 50/50	Watertown (J)	Mixed-Use Development	Mixed-Use redevelopment project
1/25/2024	Laker	ACTIVE - 50/50	Lake Mills (J)	Residential Development	Multi-family development.
2/26/2024	Banker	PRELIMINARY - Too new to know!	Fort Atkinson (J), Watertown (J)	Residential Development	Multi-family development.
1/26/2024	Gibson	PRELIMINARY - Too new to know!	Lake Mills (J), Whitewater	Residential Development	Multi-family development. Developers tour
1/22/2024	Spec	ACTIVE - 50/50	Fort Atkinson (J)	New Business	Interested in spec industrial building
12/20/2024	Chiro	Eliminated	Watertown (J)	Business Expansion	Interested in incentives to assist with expansion.

MEMORANDUM

TO: Glacial Heritage Development Partnership, Inc. (Thrive Economic Development)
FROM: Brion Winters and Sarah Laughlin
DATE: February 28, 2024
RE: Live Local Development Fund

We have been asked to provide this memorandum summarizing the Live Local Development Fund (“LLDF”) loan program, policies and procedures, and any liability or risks to consider related to the LLDF.

LIVE LOCAL DEVELOPMENT FUND

Purpose

The purpose of the LLDF is to support new residential housing development within Jefferson County, the cities of Watertown and Whitewater, and the village of Cambridge. The LLDF intends to accomplish this by providing loans to borrowers for projects that will increase attainable housing in those geographic areas.

Basics of Program

- The LLDF will receive donations or contributions from organizations or individuals. Currently, at least \$3,000,000 has been committed to be invested in LLDF and the LLDF hopes to obtain commitments from financial institutions and other private business to support the program.
- The LLDF will use these investments to fund housing development loans.
- The LLDF loan will be a part of the capital stack needed to finance a given project. Borrowers will obtain outside financing for the project and put in their own funds or equity in addition to the LLDF loan.
- The funds in the LLDF will be used only to finance these loans.
- The LLDF loans will be paid back from the borrowers through loan payments of principal and interest.

Selection of Borrowers/Projects

The LLDF Loan Policy provides factors and prioritized elements with a scoring matrix to determine the priority of projects receiving LLDF loan approval. This scoring matrix includes considerations like the number of units in the project, the loan amount per unit, cash equity in the project, and the debt service coverage ratio for the project. These policies prioritize projects that satisfy the goals and objectives of the LLDF while at the same time minimizing risk to the LLDF. Additionally, the LLDF Loan Policy includes a loan concentration restriction that limits any one borrower from receiving loans in the aggregate in excess of 25% of the aggregate amount of all outstanding LLDF loans at a given time, unless granted an exception.

Loan Terms

- Up to \$25,000 per unit of a project.
- Interest rate of: (1) a fixed rate, (2) SOFR + 1.75% with a minimum rate of 6.50% or (3) SOFR + 2.50% with a minimum rate of 7.25%.
 - Interest rate is increased by 5% during events of default.
- Insurance requirements include property, liability and worker's compensation insurance.
- Borrower must provide financial reporting on a periodic basis and the LLDF has access to borrower's records.
- The borrower will pay a 1% loan closing fee at closing and the interest rate on a loan may include an administration fee to the LLDF for costs related to administering the loan.

Loan Oversight and Monitoring

There are two groups responsible for loan oversight with regard to the LLDF: the Live Local Development Fund Loan Committee ("LLDFLC") and the "Operations Team."

LLDFLC

The LLDFLC consists of at least five individuals including one representative from each of: Greater Watertown Community Health Foundation, Inc., Jefferson County, and any other party designated as a "Founding Investor." This committee is responsible for overseeing the performance of the LLDF and approving policies and granting exceptions to policies.

Operations Team

The Operations Team is comprised of the President of Thrive Economic Development, the Director of Community Development of Thrive Economic Development, a third party service provider of underwriting services, and any other person or party deemed necessary by the LLDF. This team is responsible for managing borrower applications, drafting policies for approval by LLDFLC, and credit administration functions such as processing payments and tracking collateral.

RISK OF LOSS/LIABILITY

While no loan program is without risks of loss and potential liability related to loans advanced to borrowers, the LLDF is structured in such a way to minimize such risks and liabilities by focusing its lending efforts on viable projects that advance the LLDF's purpose and goals, reducing the likelihood of claims for discrimination or unfair lending practices through the applications and adherence to the LLDF Loan Policies, avoiding overconcentration with any one borrower, mandating compliance reporting and dispersing fact gathering and decision-making responsibilities to different parties involved in the process.

In our opinion, the main risks of loss and liability to the LLDF related to this loan program are: (1) borrower default and the project not begin completed; (2) inability to collect outstanding loan balances; and (3) legal action for violation of applicable law (discrimination/fair lending). Each of these risks of loss and liability to the LLDF are reduced or mitigated by the LLDF Loan Policies.

With regard to borrower default and a project not being completed, the LLDF Loan Policies set forth specific requirements and underwriting criteria to limit the risk and exposure to loss as a result of a borrower default. While the LLDF cannot guaranty borrower performance, enhanced credit requirements, borrower contributions/equity and financing from other sources are intended to reduce the likelihood of a borrower default. Furthermore, requiring loan concentration restrictions to a given borrower will reduce the risk of loan default exposure in the portfolio. If a borrower received a substantial amount of the loan funds and then defaulted, it could cripple the LLDF's operations and ability to make additional loans in the future. The loan concentration restriction protect against such an event.

In the event of a borrower default, the risks associated with the ability to collect outstanding loan balances are directly related to the existence of pledged security and guaranties of collection on the loan. Provided there is a mortgage on the property, a security agreement from the borrower and a guaranty or guaranties from the principals of the borrower, the likelihood of a loss related to the inability to collect on outstanding loan balances is greatly reduced. It is our understanding that each LLDF loan will be secured by the assets of the borrower and guarantied by the individuals related to the borrower.

The last main risk of loss and liability to the LLDF would be legal actions for violation of applicable law. The LLDF Loan Policies are intended to remove discriminatory intent from the loan approval process. That being said, if the LLDFLC or the Operations Team do not follow the policies and procedures set forth in the LLDF Loan Policies, it is possible the LLDF could be subject to legal action. To mitigate this risk, we recommend obtaining an errors and omissions insurance policy to cover the LLDF and its loan program.