VILLAGE OF MCFARLAND *NOTICE OF PUBLIC MEETING*

Joint Village Board and Community Development Authority

Wednesday, October 6, 2021 **7:00 PM** **McFarland Municipal Center**
Community Room

AGENDA

You are invited to this meeting through a Zoom webinar. The public is strongly encouraged to watch and participate in these meetings remotely through either the webinar or telephone options listed below.

PLEASE CLICK THE LINK BELOW TO JOIN THE ZOOM WEBINAR:
https://us02web.zoom.us/j/84072512081

Or by Telephone: +1 (312) 626-6799
Webinar ID: 840 7251 2081

1. CALL TO ORDER, ROLL CALL.

2. PUBLIC APPEARANCES.

   a. This is an opportunity for members of the public to address the Village Board. Please remember this is a virtual meeting conducted through the Zoom online meeting platform. Zoom meeting attendees wishing to address the board may do so using the Question and Answer feature within the Zoom online meeting platform. You may state your name, address, and provide your comments to the board for their consideration. Members of the public who are present in person and wish to address the board should fill out a public comment form and turn into the meeting chairperson. Members of the public may speak during public appearances or during their selected agenda item as they designate on the public comment form. Please adhere to the 3-minute time limit. Additionally, you may send your public comments to cassandra.suettinger@mcfarland.wi.us to be included as part of the meeting.

3. BUSINESS.

   a. Presentation and discussion regarding a revised Tax Increment Financing Development Incentive Application from Waubesa Village LLC (Ryan Quam) for 4902 & 4908 Terminal Drive as Waubesa Village Phase 4 located within Tax Inrement District #3.

   b. Presentation and discussion regarding role and responsibility of the Community Development Authority.

   c. Discussion regarding the policy manual for Tax Increment Financing requests.

4. CLOSED SESSION.

   a. Discussion and action in order to convene in Closed Session in accordance with Wis. Stats. 19.85(1)(e) to deliberate or negotiate the purchasing of public properties, the investment of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session including the sale and purchase of property and the investment of public funds, specifically regarding a revised Tax Increment Financing Development Incentive Application from Waubesa Village LLC (Ryan Quam) for 4902 & 4908 Terminal Drive as Waubesa Village Phase 4 located within Tax Inrement District #3.

5. RECONVENE INTO OPEN SESSION.

   a. Community Development Authority (Trustees Brassington & Rupert)

   1) Discussion and possible action to make a recommendation to the Village Board regarding a revised Tax Increment Financing Development Incentive Application from Waubesa Village LLC (Ryan Quam) for 4902 & 4908 Terminal Drive as Waubesa Village Phase 4 located within Tax Inrement District #3.

   b. Village Board

   1) Discussion and action regarding a revised Tax Increment Financing Development Incentive Application from Waubesa Village LLC (Ryan Quam) for 4902 & 4908 Terminal Drive as Waubesa Village Phase 4 located within Tax Inrement District #3.

6. SCHEDULE NEXT MEETING DATE

   a. The next CDA meeting is scheduled for Wednesday November 3, 2021 at 7:00 PM. The next Village Board meeting is scheduled for Thursday October 7, 2021 at 6:00 PM.

7. ADJOURNMENT.

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SUMMARY SHEET

MEETING DATE: **Wednesday, October 6, 2021**

SECTION: **Business**

DEPARTMENT: **Administration**

CONTACT: **Andrew Bremer, Comm & Eco Dev Director**

AGENDA ITEM: **Presentation and discussion regarding a revised Tax Increment Financing Development Incentive Application from Waubesa Village LLC (Ryan Quam) for 4902 & 4908 Terminal Drive as Waubesa Village Phase 4 located within Tax Inrement District #3.**

PREVIOUS ACTION:
2006, Village acquisition of 4902 Terminal Drive
June 22, 2015 Village Board approval of Planned Development District General Plan Phase I-III and Detailed Plan Phase I.
2015 TIF Development Agreement for Waubesa Village Phase 1.
July 17, 2017 Plan Commission approval of Planned Development District Detailed Plan Phase II.
2017 TIF Development Agreement for Waubesa Village Phase 2.
July 20, 2020 Plan Commission approval of Planned Development District Detailed Plan Phase III.
2020 Amendment to TIF Development Agreement for Waubesa Village Phase 2.
April 7, 2021 Pre-Application meeting with CDA.
April 19, 2021 Pre-Application meeting with Plan Commission.
June 2, 2021, CDA review of TIF Development Incentives Application (action postponed)
June 21, 2021, Plan Commission held public hearing on proposed rezone.
July 7, 2021, CDA unanimously recommended a TIF Development Incentives Application to the Village Board (refer to Financial Budget Impact)
July 19, 2021, Plan Commission motion to recommend Ordinance 2021-07 failed on a vote of 3-3.
July 26, 2021, Village Board approval of Ordinance 2021-07.
July 26, 2021, Village Board motion to approve the CDA recommended TIF Development Incentive Application failed on a vote of 3-3.

ISSUE SUMMARY:
At its July 7, 2021 meeting, the CDA unanimously recommended a Tax Increment Financing Development Incentive Application from Waubesa Village LLC for 4902 & 4908 Terminal Drive, Waubesa Village Phase 4. The CDA's recommendation included a total tax increment incentive valued at $273,755, consisting of a $176,500 Tax Increment Loan at Building Occupancy, sale of 4902 Terminal Drive for $1 (estimated value of $73,255) and completion by the Village of a sidewalk/bike trail and curbing along Terminal Drive (valued at $24,000), with a corresponding Developer assessment guarantee of at least $3,800,000 by January 1, 2023.

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At its July 26, 2021 meeting, the Village Board unanimously approved Ordinance 2021-07 to rezone 4902 & 4908 Terminal Drive to Planned Development District, General & Detailed Plan Approved. The motion to approve the CDA recommended TIF Development Incentive Application failed on a 3-3 vote. Concerns expressed as part of the open session discussion included providing TIF incentives where multi-family housing projects lack sustainability initiatives or non-market rate units.

Staff proceeded to work with the applicant on potential project revisions to address these concerns. The applicant has obtained a quote from a solar provider and has submitted a revised TIF Development Incentive Application that would include the installation of a roof-top solar 17.82kW photovoltaic system. This system would offset approximately 99% of the common area electrical use of the building with an estimated annual production of 23,496 kWh. The development project remains otherwise the same as approved by Ordinance 2021-07.

FINANCIAL/BUDGET IMPACT:

TID #3 previously provided incentives of $552,583 (Phase 1) and $360,000 (Phase 2), for a total of $912,583. The Phase 1 & 2 Development Agreement obligates the Applicant to a Guarantee of Tax Increment based on a fair market value of the property of no less than $8,100,000 ($4,300,000 for Phase 1 plus $3,800,000 for Phase 2). Phase 3, currently under construction, did not include TIF development incentives. The 2021 Fair Market Value of Waubesa Village is $8,469,000, not including the majority of the anticipated value of Phase 3.

The Applicant is seeking $226,500 in a Tax Increment Loan at Occupancy, plus sale of 4902 Terminal Drive for $1 (estimated value $73,255), plus completion by the Village of the curbing and sidewalk along Terminal Drive (estimated value $24,000) as part of future Village consideration of reconstruction of Terminal Drive, for a total incentive valued at $323,755. The Village acquired 4902 Terminal Drive for the purpose of blight removal and to encourage redevelopment of the property. TID #3 previously invested $153,787 in the acquisition and clean-up of 4902 Terminal Drive. These costs have been offset by revenue from rental of the prior home (2004-2014) before its demolition, $85,849 in total rental revenue. Therefore, TID #3 has invested a net of $67,938 in this property. The prior single family home was razed due to it's poor condition. The Applicant estimates land acquisition and construction cost for Phase 4 of $4,960,000 (revised from $4,910,000). The additional project costs primarily reflect an increase in the sale price of 4908 Terminal Drive and the addition of solar panels to the building. The Applicant intends to provide an Assessment Guarantee upon completion of the project of $3,800,000 similar to the Phase 2 and Phase 3 developments. This would provide an estimated $69,373 in additional annual tax increment for TID #3 upon build-out and an estimated $277,492 prior to closure of the District (year-end 2027).

The packet includes the C&ED Director's TIF proforma for the proposed development along with the Director's review of the Development Incentives Application to the Village's TIF Development Incentives Policy Manual. The following are additional notes related to this review:

- But For Criteria. The Applicant's but for expenditures reflect the prior cost estimates recommended by the CDA at the July 9, 2021 meeting, with the addition of $25,000 in additional land acquisition costs for 4908 Terminal Drive and $25,000 for additional expenditures for solar installation, for a new total of $226,500. Note, the original offer to purchase 4908 Terminal Drive has expired and the owner has increased the asking price by $25,000. The remaining $176,500 roughly reflects the cumulative costs of those site and building features that might be considered "enhancements" above traditional development and/or part of the design guidelines for TID #3 (e.g. underground parking, higher quality exterior building materials, dog washing station, etc.).
- Financial Capability Criteria. The applicant is proposing $736,500 in equity, or 14.85% of the project costs. This is $7,500 below the 15% target. The Village has approved similar "just under" requests in the past (most recently 4313 Triangle @ 14.75%, also $7,500).
- Payback Period Criteria. The value of the total incentives requested is $323,755, which is approximately 5 years worth of tax increment collection ($69,373 x 5), which meets the first part of the criteria (i.e. repayment within 12 years). The proforma in the packet includes the prior net "unrecovered costs" from the acquisition and clean-up of 4902 Terminal Drive ($67,938) and the proportioned value of the Terminal Drive bike trail and curb improvements, $24,000. When these combined costs ($91,938) are added to the requested $226,500 TIF Loan at Occupancy, the cumulative investment of the TID into the site would be an estimated negative $40,946 at year-end 2027 (not cash flowing prior to District closure). However, when excluding the prior net unrecovered costs, and the Terminal Drive improvements, the cumulative investment of the TID into the site would be an estimated $50,992 at year-end 2027. In regards to the balance of the prior acquisition and clean-up of 4902 Terminal Drive, this balance has already been recovered from prior TID #3 tax increment collections and there is no actual debt balance owed. The proforma includes these prior costs as simply a way to track the total investment in the specific parcel since the creation of the TID. In regards to the value of the Terminal Drive improvements, the Village's Capital Improvement Plan for 2022 includes the reconstruction of Terminal Drive from Siggelkow Road north to Lift Station #4. The cost of this project is anticipated to be a general expense to the TID and will occur with or without the construction of Waubesa Village Phase 4. Therefore, while the proforma captures the total investment in the TID in the development site, $67,938 is attributable to costs already incurred/recovered and $24,000 that will be undertaken regardless of the Developer's project. From this standpoint, the estimated $277,492 in tax increment collection from the development is sufficient to retire the additional expense to the TID from the $226,500 TIF Loan at Occupancy. In addition, depending on the date on which the Village Board adopts the resolution to terminate TID #3, an additional year of tax increment collection may be obtained in year 2028, bringing the total tax increment collected to $346,865, which exceeds both the requested TIF Loan at Occupancy ($226,500) and the total value of all TID incentives ($323,755).

In addition to generating tax increment revenue for TID #3, Phase 4 will also generate general revenues to the Village through the collection of building permit and impact fees. The Applicant would pay the following impact fees based on current 2021 rates:

Park Land Impact Fees (Fees in Lieu of Parkland Dedication): $2,755.26 x 27 Units = $74,392.02
Park Improvement Impact Fees: $990.38 x 27 Units = $26,740.26
Library Impact Fees: $431.00 x 27 Units = $11,637.00

VILLAGE PLAN REFERENCE:
4902 & 4908 Terminal Drive are located within the following adopted Village plans available for review on the Community & Economic Development website:

- TIF District #3 (adopted 2004).
- Terminal and Triangle District Plan (adopted 2005), specifically the Mixed-Use Lakeview Village Subdistrict. Preferred land uses include mixed-use buildings & sites, office & residential, neighborhood & lake-oriented retail, higher profile buildings, and under-building parking. Map 2 and 6 of the TTDP conceptualized potential office development in the area of Phases 2-4. This was premised, in-part on a potential future transit station adjacent to Brandt Park, which is unlikely to materialize. In the Director's opinion office and mixed-use buildings (similar to Waubesa Village Phase 1) are more likely to materialize at the intersection of Terminal Drive and Siggelkow Road. The market potential/compatibility for office or commercial development on 4902 & 4908 Terminal Drive seems questionable at this time. Appendix B of the plan includes a Summary of Site and Building Design Standards applicable to the Mixed-Use Lakeview Village Subdistrict.
- Redevelopment District No. 1 (adopted 2010), specifically within the Mixed Use Commercial/Residential Subdistrict. Page 20 of the plan notes "the south end of Terminal Drive could include mixed use residential with minor commercial."
- Comprehensive Plan (adopted 2017). This plan identifies the property for future Mixed Use/Flex Commercial. Figure 4.1 of the plan, identifies the General Description of Land Uses Allowed includes a carefully designed blend or option of commercial services, retail, office, business park, multiple family residential, and/or institutional land uses, including mixed use sites and/or buildings. Compared to the Neighborhood future land use category, Mixed Use/Flex Commercial areas typically are denser, include some non-residential component, and do not typically include single family housing. All uses served by public sewer and water systems. Page 33 of Volume Two further describes that "in these spots, the actual future land use is less critical than in success in land use transitions and in managing impacts on surrounding land uses." Typical Implementing Zoning Districts includes the PD Planned Development District. General Land Use Policy #5 also states to actively promote infill development and redevelopment where opportunities present themselves, particularly for underutilized properties along Terminal Drive.

ORDINANCE REFERENCE:
Sec. 62.67, PD Planned Development District

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Sec. 62-73, Terminal and Triangle Design Overlay Zoning District
Sec. 62-310, Site/Design Review

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
This agenda item is presented for discussion only. The applicant will provide an overview of their revised TIF Development Incentives Application and answer any questions from CDA or Village Board Trustees. The agenda includes a closed session item under Wis. Stat. 19.85(1)(e) to discuss the TIF Development Incentives applications prior to reconvening into open session to take separate action, first a recommendation by the CDA, followed by action by the Village Board.

ATTACHMENTS:
1. Waubesa Village LLC_TIF Incentives Application_(rev. 09.29.2021)
2. 4908 Terminal-Waubesa Village Phase 4-TIF Evaluation-09.29.21
3. Waubesa Village Phase 4 Proforma_9.29.21

TAX INCREMENT FINANCING
DEVELOPMENT INCENTIVES
APPLICATION

Application ID: 2021 (Year) - 03 (#) to be completed by Village Community Development Director upon submittal

Please complete and submit the following information to the Village Community Development Director for a more detailed review of the feasibility of your request for Tax Incremental Financing (TIF) Development Incentives. The application is comprised of five sections: (A) Applicant Information, (B) Property Information, (C) Project/Business Information, (D) TIF Request, (E) Budget/Financing Strategy, and (F) Applicant Certification and Acknowledgement. Where there is not enough room for responses provided, please use an attachment. Where questions do not apply, mark NA (not applicable). Applicants are encouraged and may be required to submit additional information such as site plans, environmental studies, market studies, business plans, business or personal financial statements, or financial commitment letters to be included for review and consideration.

A. APPLICANT INFORMATION

Project Name: Waubesa Village - 27 Unit Building (Phase 4)

Applicant: Waubesa Village LLC

Mailing Address: 4604 Siggelkow Road, Suite A

Primary Contact: Ryan Quam Telephone: (608)838-7750

Email: Fax: (608)838-7752

Legal Entity: ☐ Individual(s) ☐ Joint Tenants ☐ Tenants in Common

☐ Corporation ■ LLC ☐ Partnership ☐ Other: ____________________

If not a Wisconsin corporation/partnership/LLC, state where organized: ____________________

Will new entity be created for ownership? ■ No ☐ Yes

Is any owner, member, stockholder, partner, officer or director of any previously identified entities, or any member of the immediate family of any such person, an employee or elected official of the Village of McFarland?

■ No ☐ Yes, If yes, give the name and relationship of the employee: ____________________

Provide the names of consultants (e.g. attorneys, engineers, planners, architects, contractors, etc.) authorized to act on behalf of the applicant.

Name	Title/Company	Email	Phone #
Ryan Quam	Eng.-Architect / Quam Engineering	rquam@quamengineering.com	(608)838-7750
Jeff Riegert	General Contactor / Riegert builders	jeffriegert@gmail.com	(608)575-3969

B. PROPERTY INFORMATION

Parcel(s) Address: 4902 and 4908 Terminal Drive

Parcel(s) Tax Number: 071034241227 and 071034241003

As the Applicant, are you the current owner of this parcel(s)? ■ No ☐ Yes

If no, current owner is: Village of McFarland and Timothy Blum

If no, do you have an agreed upon option to purchase the property? ☐ No ■ Yes (provide documentation and note the expiration date here: January 25, 2022 closing

Total Lot Size: 13420 + 22771 square feet

Parcel Contains Existing Buildings? ☐ No ■ Yes

If yes, indicate Total Building Size 1500 sq.ft.

Most recent property assessment (PA):

$ 75200 Land $ 142,000 Improvements $ 217,200 Total

Existing Uses: Vacant (Village Lot) and Residential - Single Family

Existing Zoning: C-H Commercial Highway

Existing Uses, Adjacent Parcels: Single Family N Multi Family S Single + Multi Family E Multi Family W

Existing Zoning, Adjacent Parcels: C-H N R-3 S R-2 + R-3 E PUD W

Will a zoning change be requested? ☐ No ■ Yes

If yes, indicate new zoning PDD for 27 Unit Apartment Building

Identify other approvals, permits, or licenses your project may need (e.g. County, State or Federal permits).

WDNR WRAPP, Certified Survey Map to combine lots

Existing Mortgage Holder: Timothy Blum

Contact Person & Phone Number: Ryan Quam (608)838-7750

Does the property have any existing tax delinquencies, zoning or building violations? ■ No ☐ Yes

If yes, explain: ______

C. PROJECT/BUSINESS INFORMATION

The proposed project is: ☐ An Improvement to Existing Business ☐ A New Business(s)

☐ Business Relocation ■ Residential Development ☐ Other

Project Description. Include any plans or illustrations prepared for the project, if available. At a minimum, a concept plan shall be submitted with the application.

This project is phase 4 of Waubesa Village multi-family development. The preliminary Phase 4 Grading Plan and Phase 4-5 Concept Plan are attached.

Will the project incorporate any "sustainability" or "green design" concepts? Describe.

The project will include multiple rain gardens and storm sewer routing to rain gardens and flat grass volleyball/ice rink areas.

Current annual revenue: $N/A   Estimated annual revenue: $N/A

Current annual expenses: $N/A   Estimated annual expenses: $N/A

Business Plan and/or Marketing Plan attached? ■ No ☐ Yes

Balance Sheets and Profit and Loss Statements for the past two years attached? ■ No ☐ Yes

Describe the project schedule.

Final Plan/Specification Preparation Date: April 5, 2021

Preliminary Construction Start Date: February 1, 2022

Preliminary Construction Completion Date: Nov. 30, 2022

Date Occupied or Opened: Dec. 1, 2022

Number of principal buildings and estimated square footage: 36,700 floor area

Estimated equalized assessed valuation after project completion (EAV)

$ 297,000 Land $ 3,503,000 Improvements $ 3,800,000 Total

Estimate the incremental property taxes to be generated by the project (attach any independent appraisals).

Pre-improvements: $ 217,200 PA x 0.01945 Mill Rate = $ 4,224.54 Total (A)

Post-improvements: $ 3,800,000 PA x 0.0195 Mill Rate = $ 74,100.00 Total (B)

Additional increment (B-A) = $ 69,875.46

Will the proposed project result in the relocation of economic activity/businesses from another location within the Village? ■ No ☐ Yes

If yes, discuss the nature of any anticipated relocations and the impact the relocation would have on the neighborhood where such activity is currently located.

Will the proposed project result in the relocation of economic activity from an adjacent community?
■ No ☐ Yes

If yes, discuss the nature of any anticipated relocations and the impact the relocation would have on the community where such activity is currently located.

Identify any proposed tenants of the project. Have leases been negotiated or signed? ☐ No ☐ Yes

One and two bedroom units to be rented by qualified tenants.

Who will own and operate the developed property? Waubesa Village, LLC

Do similar businesses/uses already exist in McFarland?

☐ No ■ Yes, If yes, indicate 27 unit apartment buildings at 4606 and 4608 Siggelkow Road and 4703 Terminal Drive

Describe any differences in your proposed business/uses to existing businesses/uses

The phase 4 building will have three garage level doors. The west door will access a proposed grass volleyball/ice rink area.

Current and Created Jobs by Annual Wage Range (Full Time ≥ 30 hrs/week).

$0-$19,000

______Full Time (current) ______Part Time (current) ______FT (created) ______PT (created)

$20,000-$39,000

______Full Time (current) ______Part Time (current) ______FT (created) ______PT (created)

$40,000-$59,000

______Full Time (current) ______Part Time (current) ______FT (created) ______PT (created)

$60,000+

______Full Time (current) ______Part Time (current) ______FT (created) ______PT (created)

Average per hour wage rate of all employees (not including benefits) $ N/A

Approximately what percentage of employees do you expect will be hired from the McFarland area (i.e. 53558 zip code) N/A.

Will the proposed business offer its employees a benefit package including health care and retirement benefits?
■ No ☐ Yes

Discuss neighborhood impact/support for the project. Has the applicant discussed the project with neighboring property owners? ☐ No ■ Yes

I have talked with Cindy Krenz about the purchase of her land to the north for a phase 5 building and permanent driveway connection to Terminal Drive.

Discuss any history of community involvement by the applicant or business within the Village.

Ryan Quam was a Village Board member when TID #3 was formed. Quam Engineering, LLC, and Ezra Properties, LLC are businesses owned by Ryan Quam and located in McFarland.

Has any portion of the project already been started or completed? ■ No ☐ Yes

If yes, describe the portions of the project completed, the work remaining, and why public financing is necessary to complete the project.

D. TIF REQUEST

State the total amount of TIF assistance being requested: $226,500 TIF Loan + 73,255 Land Donation

State the form of incentives requested:

☐ Developer Loan (pay-as-you-go) ☐ Traditional Loan ■ Tax Increment Loan at Occupancy

☐ Tax Increment Loan at Project Start ☐ Other ______________________________

State the need and justification for TIF assistance. Explain how the applicant intends to demonstrate compliance with the "but for" test. Substantiate that other alternative methods of financing have been thoroughly explored.

A higher level of construction materials are being proposed to attract tenants and to overcome the blighted conditions of the overall area. Site amenities such as a dog washing station, a grass volleyball court/winter ice rink, etc. are being proposed to attract tenants. The unique site requires irregular development costs such as tree removal, mass excavations with materials to be removed from the site, sanitary lateral extension, water service extension, site storm sewers, exposed garage wall, additional doors with commercial grade entrance in the garage, Village attorney review, etc. The bank will require a minimum 20% owner contribution which will require TIF assistance to be a part of the 20% owner contribution.

In order to demonstrate compliance with the "but for" test, the applicant will provide costs for the higher level of construction materials, the site amenities, and the unique site development costs. The application will also provide the business plan proforma.

Check which box(s) best describe the use of TIF funds:

■ Land Acquisition/Survey ☐ Environmental Audits ■ Site Grading

■ Demolition/Remediation ■ New Construction ☐ Rehabilitation/Expansion

■ Utility Improvements ☐ Parking/Access ☐ Landscaping

☐ Recreation/Conservation ■ Professional Services ☐ Financing Costs

☐ Other ______________________________

E. PROJECT BUDGET AND FINANCIAL STRATEGY

Project Costs	Amount ($)	Source(s) of Financing
Property Acquisition	See Overall Costs Estimate	Applicant, Bank Loan, and TIF Loan
Environmental testing/remediation		
Demolition		
Construction of new building(s)		
Site Improvements		
Renovation of existing structures		
Cost of installation of machinery/equipment		
Architectural/Engineering fees		
Legal & other professional fees		
Permit fees		
Financing fees		
Developer fees		
Other (please specify)		
Total Project Costs	4960000	

Budget source: ☐ Developer ☐ Arch/Eng ☐ Contractor ☐ Other ______________________________

Sources of Financing	Amount ($)	Percent of Total Costs
TIF	299,755	6.04 %
Equity	736,500	14.85 %
Loans	3,923,745	79.11 %
Grants		%
Other (please specify)		%
Total Project Costs	4,960,000	**100.0 %**

Lender for Project if in addition to the Village: State Bank of Cross Plains

Officer Casey McClymann Phone (608)416-4834 Email______________________________

Preapproved: ■ No ☐ Yes, attach a Letter of Commitment from the Lender indicating that the applicant has sufficient financial resources to obtain the private financing for the project.

Grant Sources: ______________________________________ Grant Amount: ________________________________

Grant Officer:____________________________Phone________________Email________________________________

Application Status: ____

Date of Grant Announcement: __________________________________

F. APPLICANT CERTIFICATION AND ACKNOWLEDGEMENT

I acknowledge being informed that the Village of McFarland (Village) will, upon request by a member of the public or in the course of reporting its activities to the public, disclose the names of individuals requesting Tax Incremental Financing (TIF), the amount of TIF requested, state/federal programs used, if any, and the development impact of the TIF requested (e.g. jobs created, tax base impact and total project investment). I have been assured by the Village, and I understand, that other financial information provided by me in connection with this application or with assistance from the Village, if any is given (including, but not necessarily limited to business and personal financial statements, business operating statements, data on historical and projected future sales or other aspects of business performance, and business plans) will, to the extent permissible by law, and except for use in collection proceedings, if any, be treated as confidential. This will confirm that I have relied upon such assurance by the Village in providing financial information to the Village, and that, but for such assurances, such information would not be provided.

I certify that the information contained in this application is, to the best of my knowledge, true and correct. I agree to notify the Village, in writing, of any changes that materially affect the accuracy of this statement. I authorize the Village or its agents to verify the information provided in this application and to obtain additional information concerning the applicant(s) financial condition.

I certify through signing the TIF application that the final form and amount of financing the Village offers may differ from that requested. The form and amount of financing shall be finalized through the execution of a development agreement.

I certify that financial, insurance, and project assurances will be required as part of the final development agreement to be negotiated with the Village upon preliminary approval of this application. These may include, but are not limited to, assessment guarantees, letters of credit, personal or corporate guarantees, minimum payment agreements, lien waivers for contractors, consent of mortgagee or other loan security instrument. All terms and obligations of the Village and the applicant shall be finalized through the execution of a development agreement.

I certify, by signing and submitting this application, that additional costs, above the amount of the application fee, incurred by the Village for outside professional review or expertise of this application, and any development agreement resulting from this application, will be the responsibility of the applicant. I further certify, that denial of the application or failure to reach agreement with the Village on a development agreement shall not entitle the applicant to a refund of the application fee or any amounts of the escrow used in the review of the application.

Applicant Waubesa Village, LLC by Ryan Olson Title Managing Member

Signature Ryan Olson Date 9/29/2021

Return To:

Village of McFarland
Attn: Village Community Development Director
5915 Milwaukee Street
McFarland, WI 53558
P: 608-838-3153

"BUT FOR TIF" SPECIFIC PROJECT COSTS

Land Purchase Increase	$25,000
Attorney Fees (TIF Agreement and Developer Agreement)	$13,500
Garage Footing (partial west and partial south apartment walls)	$4,000
Exposed Garage 10% Stone Veneer and 90% LP Smartsiding	$10,000
Stone Veneer/Fiber Cement Exterior Upgrade (from Vinyl)	$132,000
Lower Level Two Decks (West Side)	$6,000
Garage West Commercial Door	$5,000
Dog Washing Station	$6,000
Solar Installation	$25,000
Total:	**$226,500**

PHASE 4 APARTMENT BUILDING

Overall Costs Estimate

Description	Quantity	Unit	Unit Price	Total
Land				
Land (4908Terminal Drive)	1	LS	$325,000.00	$325,000.00
Land (4902 Terminal Drive)	1	LS	$73,255.00	$73,255.00
Permitting Item				
Building Permit	1	LS	$4,000.00	$4,000.00
Erosion Control and Stormwater Permit	1	LS	$2,000.00	$2,000.00
Plumbing, HVAC, Site Design Fees, TIF Application	1	LS	$4,200.00	$4,200.00
Fire Alarm and Suppression System Fee	1	LS	$1,500.00	$1,500.00
Engineering Review Fees	1	LS	$7,000.00	$7,000.00
Attorney Review Fees	1	LS	$15,000.00	$15,000.00
Public Water (2" Meter)	1	2 in	$5,201.00	$5,201.00
Impact Fee				
Park Fee-in-lieu	27	DU	$2,755.26	$74,392.02
Park Improvement and Public Library	27	DU	$1,421.38	$38,377.26
MMSD	1	LS	$7,000.00	$7,000.00
Transaction Fees				
Bank Fee	1	LS	$20,000.00	$20,000.00
Appraisal Fee	1	LS	$3,000.00	$3,000.00
Title Fee	1	LS	$3,000.00	$3,000.00
Miscellaneous Closing Fees	1	LS	$3,000.00	$3,000.00
Construction Interest Carrying Costs Through 6/2022	1	LS	$60,000.00	$60,000.00
Professional Items				
Dimension IV Architect	1	LS	$10,000.00	$10,000.00
Structural Design	1	LS	$10,000.00	$10,000.00
Ryan Quam Building Plans Drafting	1	LS	$60,000.00	$60,000.00
Quam Engineering, LLC Site Design and CSM Approva	1	LS	$43,000.00	$43,000.00
Quam Engineering, LLC Construction Staking	1	LS	$25,000.00	$25,000.00
Quam Engineering, LLC Site General Administration	1	LS	$35,000.00	$35,000.00
Ryan Quam Planning and Consulation Fee	1	LS	$40,000.00	$40,000.00
Site Items				
Rice Grading	1	LS	$118,000.00	$118,000.00
Utility Connections and Perimeter Storm	1	LS	$30,000.00	$30,000.00
Boulder Retaining Walls	450	VSF	$40.00	$18,000.00
Concrete Curb, Sidewalk, Stairs	1	LS	$36,000.00	$36,000.00
3" Asphalt Binder and Surface Course	1	LS	$35,000.00	$35,000.00
Restoration (Seed & Matting)	7000	SY	$2.50	$17,500.00
Lighting and Security	1	LS	$20,000.00	$20,000.00
Landscaping Trees & Shrubs	1	LS	$13,000.00	$13,000.00
Building Items (Interior, Exterior, and Lighting)				
Riegert Builders Contract	1	LS	$3,575,000.00	$3,575,000.00
Solar Items	1	LS	$50,000.00	$50,000.00
Subtotal Costs:				$4,781,425.28
Contingency (Approx. 4-5% Building and Site):				$178,574.72
Total:				$4,960,000.00

Loan Amount & Contributions Percentage

Loan Amount Calculation

Total Costs (See Cost Schedule)	$4,960,000
T.I.F. "Gap Loan"	-$226,500
T.I.F. Village Lot	-$73,255
Ryan Quam Downpayment	-$533,500
Ryan Quam Building Plans Drafting	-$60,000
Quam Engineering, LLC Site Design / Approvals	-$43,000
Quam Engineering, LLC Construction Staking	-$25,000
Quam Engineering, LLC Site General Administration	-$35,000
Ryan Quam Planning and Consulation Fee	-$40,000
Loan Amount Total:	**$3,923,745**

Ryan Quam Contributions Percentage Calculation

Ryan Quam Downpayment	$533,500
Ryan Quam Building Plans Drafting	$60,000
Quam Engineering, LLC Site Design / Approvals	$43,000
Quam Engineering, LLC Construction Staking	$25,000
Quam Engineering, LLC Site General Administration	$35,000
Ryan Quam Planning and Consulation Fee	$40,000
Total Contributions:	$736,500
Ryan Quam Contributions Percentage = Total Contributions / Total Costs	**14.85%**

Village Contributions Percentage Calculation

T.I.F. "Gap Loan" and Village Lot	$226,500
T.I.F. Village Lot	$73,255
Total Contributions:	$299,755
Village Contributions Percentage = Total Contributions / Total Costs	**6.04%**

PROFORMA

Loan Amount		
Total Costs (See Cost Schedule)	$4,960,000	
TIF Gap Loan	-$226,500	
TIF Village Lot	-$73,255	
Ryan Quam Downpayments	-$533,500	
Ryan Quam Building Plans Drafting	-$60,000	
Quam Engineering, LLC Site Design / Approvals	-$43,000	
Quam Engineering, LLC Construction Staking	-$25,000	
Quam Engineering, LLC Site General Administration	-$35,000	
Ryan Quam Planning and Consulation Fee	-$40,000	
Loan Amount	$3,923,745	
Sales/year		
27 Apartments	$436,260	{9 one-bedrm @ $1135; 14 two-bedrm @ $1420; 4 two-bedrm w/ loft @ $1565}
Pet Fees	$12,000	{25 pets at $40/pet/month}
Total	$448,260	{See rent scalar} **2.00% Rent Scalar**
Vacency	-$13,448	{Assumes 3% vacency}
Sales Total	$434,812.20	
Costs/year		
Interest	3.80%	of loan amount
Management & Insurance	8.00%	of sales amount
Maintenance	6.00%	of sales amount
Property Tax	$72,580	{1.91% of $3,800,000 (TIF Estimated Valuation}

Principal Projection	2023	2024	2025	2026	2027	2028	2029
Beginning Principal	$3,923,745	$3,771,489	$3,606,272	$3,427,468	$3,234,420	$3,026,446	$2,802,836
Interest	$149,102	$143,317	$137,038	$130,244	$122,908	$115,005	$106,508
Sales	-$434,812	-$443,508	-$452,379	-$461,426	-$470,655	-$480,068	-$489,669
Management (6% sales) & Insurance (2% of sales)	$34,785	$35,655	$36,546	$37,460	$38,396	$39,356	$40,340
Maintenance (6% of sales)	$26,089	$26,741	$27,409	$28,095	$28,797	$29,517	$30,255
Property Tax	$72,580	$72,580	$72,580	$72,580	$72,580	$72,580	$72,580
Ending Principal	$3,771,489	$3,606,272	$3,427,468	$3,234,420	$3,026,446	$2,802,836	$2,562,850
Principal Reduction	$152,256	$165,216	$178,805	$193,048	$207,974	$223,610	$239,987
Return on Investment	21%	22%	24%	26%	28%	30%	33%

TAX INCREMENT FINANCING DEVELOPMENT INCENTIVES POLICY MANUAL

Village of McFarland
Wisconsin - United States of America

1. PURPOSE

The attached policies, and associated application, have been adopted by the Village of McFarland for the purpose of guiding decisions related to requests for development incentives within Village tax increment financing (TIF) districts.

2. DISCLAIMER

The authority to make decisions regarding the use of TIF funds is vested solely in the Village Board of the Village of McFarland. This policy manual and associated application have been prepared by the Village to provide both Village Officials and applicants a consistent process and set of criteria for reviewing requests for TIF assistance. The actual amount of TIF assistance provided to a project will be determined at the discretion of the Village Board on the basis of need, risk, project characteristics, applicant qualifications and the degree to which the project meets the public objectives of the Village described in Section 3 General Objectives and Section 6 Evaluation Criteria. The Village Board reserves the right to amend or adjust these policies, and recommend any project the Village Board deems to be in the best interests of the Village of McFarland.

The Village Board also reserves the right to reject any and all applications, even those which satisfy all of the attached criteria for the use of TIF for any reason whatsoever, without regard for the viability of the project. The Village will provide the applicant with reasons for rejecting the application. Examples why a project may be rejected include but are not limited to: the Village's own capacity to fund the project, the scale of the project is too small, the project results in minimal public benefits, failure to meet one or more evaluation criteria, other existing Village, County or State funding programs are available for the proposed project, the project results in a tax exempt property, etc.

3. GENERAL OBJECTIVES FOR THE USE OF TAX INCREMENT FINANCING – DEVELOPMENT INCENTIVES

The overall objective of the program is to stimulate redevelopment of commercial, industrial, multi-family (4+ units) residential, and mixed-use properties within the boundaries of Village TIF districts. While TIF is an important and useful economic development tool, it is essential that it be used appropriately to accomplish the Village's economic development goals and objectives. A fundamental principle of tax increment financing is that it is designed to encourage development that would not otherwise occur, or would only occur to a lesser extent, "but for" the assistance provided through tax increment financing. It is the policy of the Village Board to consider the judicious use of TIF incentives for those projects that demonstrate a substantial and significant public benefit by:

- ✓ Eliminating blight, unhealthy, or unsafe conditions
- ✓ Strengthening the employment and economic base of the Village
- ✓ Increasing property values and tax revenues
- ✓ Fostering rehabilitation and conservation activities
- ✓ Installing, constructing, or reconstructing community amenities or utilities
- ✓ Implementing plans and development strategies adopted by the Village
- ✓ Implementing high-quality site and building designs and materials

4. ELIGIBLE COSTS

Allowable uses of TIF development incentives include, but are not limited to:

- ✓ Land acquisition and surveying
- ✓ Construction costs of new building and utility improvements (interior or exterior)
- ✓ Environmental audits or remediation
- ✓ Demolition of buildings and site grading to bring sites to shovel ready status
- ✓ Rehabilitation of existing structures and utilities (interior or exterior)
- ✓ Site improvements (parking, landscaping, lighting, stormwater, signage, etc.)
- ✓ Planning, legal, engineering, architectural, financing, permit costs and reasonable developer fees

5. METHODS OF FINANCING & PROJECT COMPLETION ASSURANCES

Applications for TIF assistance require the applicant to indicate the type of financing method they are requesting from the Village from the list of options below. The list is ordered sequentially based on the Village's preferred methods of providing TIF assistance. Applicants seeking more advantageous financing terms (e.g. Tax Increment Loan at Project Start) should be aware that the Village reserves the right to both specify which form of financing the Village will offer based on the merits of the project AND to lower the amount of TIF assistance (i.e. as the Village incurs more risk the Village reserves the right to reduce the amount of assistance below the amount requested). The Village may also consider the use of a combination of financing methods.

- <u>Pay-As-You-Go (Developer Financed Loan)</u>: Under a pay-as-you-go incentive the applicant finances the upfront costs related to the construction project and the Village agrees to make an annual payment back to the applicant starting with the first year the Village receives taxes from the improved property (i.e. two years after project completion). The terms of the annual payment are subject to the development agreement negotiated and signed by both parties. The terms are typically represented as a percentage of the annual tax increment collected over a set period of years (e.g. 90% of the actual tax increment collect over 10 years or until the total requested financing amount has been reached).

- <u>Traditional Loan</u>. The Village may provide financing in the form of a loan at project start (e.g. after completion of the development agreement and within 60 days of receiving all necessary building permits). The terms of the loan (i.e. interest rate, amortization schedule, collateral) will be negotiated as part of the development agreement. The Village may also consider the use of no-interest loans or loans with forgivable payments (e.g. waiving a final payment) to provide an additional incentive to the applicant based on the merits of the proposed project. <u>The use of future tax increments generated from the project to pay back the loan from the Village is not applicable</u>. Examples of this type of financing are usually part of a community façade improvement revolving loan program.

- <u>Tax Increment Loan at Occupancy</u>. The Village may provide financing in the form of a loan at occupancy. Under this form of financing the Village provides a cash payment at the time (e.g. within 60 days) the proposed applicant completes the project (i.e. receives a building occupancy permit from the Village). The Village reserves the right to withhold a percentage of the TIF assistance until all landscaping has been installed on the property in accordance with approved site plans. The loan is paid back through future tax increments generated from the project.

- <u>Tax Increment Loan at Project Start</u>. The Village may provide financing in the form of a loan at the start of a project. Under this form of financing the Village provides a cash payment at the time the project starts (e.g. after completion of the development agreement and within 60 days of receiving all necessary building permits). The Village reserves the right to stagger payments to the applicant from the time of obtaining building permits to the time of receiving a building occupancy permit based on meeting predetermined construction milestones. The Village reserves the right to withhold a percentage of the TIF assistance until all landscaping has been installed on the property in accordance with approved site plans. The loan is paid back through future tax increments generated from the project.

Applicants are advised that the Village will require certain financial and project completion guarantees. These may include, but are not limited to, assessment guarantees, letters of credit, personal or corporate guarantees, minimum payment agreements, lien waivers for contractors, consent of mortgagee or other loan security instruments. In addition, the Village reserves the right to require an applicant to provide copies of paid invoices demonstrating actual costs incurred and to adjust accordingly any assistance provided by the Village in proportion to the ratio of estimated to actual project costs. **<u>All terms and obligations of the Village and the applicant shall be finalized through the execution of a development agreement</u>**.

6. EVALUATION CRITERIA – DEVELOPMENT INCENTIVE QUALIFICATIONS

The following criteria and qualifications will be used by the Village to evaluate requests for development incentives. All terms and obligations of the Village and the applicant shall be finalized through the execution of a development agreement.

- Location Criteria: The proposed project must be within the boundaries of a Village TIF district at the time of approval of a development agreement.

- Ownership Criteria: The applicant must be the owner of the property or have a written agreed option to purchase the property from the current owner at the time of approval of a development agreement. Proof of property ownership will be required prior to receiving financial assistance from the Village.

  Offer for 4902 to be part of final Development Agreement

- "But For" Criteria: The applicant must demonstrate to the Village's satisfaction that "but for" the TIF assistance, the project is not feasible on the proposed site, or would occur to a lesser extent, and that the public benefits described in Section 3 General Objectives would not be achieved.

  Applicant has noted higher level of construction materials and site amenities to meet and exceed what is required under Village ordinance. Revised But For Project Costs also include increases in project expenditures for land acquisition and solar installation.

- Financial Capability Criteria: Each TIF application must include evidence that the applicant possesses the financial ability to complete and operate the project and will be liable for, or contribute equity of at least 15% of the total cost of the project. Proof of equity and private commercial lending commitment will be required prior to receiving financial assistance from the Village.

  Applicant proposes 14.85% equity, or $736,500, $7,500 under 15%. Village has previously approved similar "just under" equity contributions.

- Maximum Assistance Criteria[1]: The total amount of TIF assistance in support of a project is based on the form of incentives requested as described below and the overall value of the project to the community. For applicants requesting a combination of financing (e.g. pay-go and tax increment loan at occupancy) the maximum amount of assistance shall not exceed 30% of the estimated total project costs, with the final percentage within each form of financing determined by the Village Board. The Village at its discretion may include in the total percentage of project costs other costs incurred by the Village in support of bringing the subject property to shovel ready status (e.g. prior land acquisition costs, environmental remediation costs, public works costs, etc.).

  - For Pay-As-You-Go (Developer Financed) Agreements the maximum amount of assistance is capped at 30% of the estimated total project costs.
  - For Traditional Loan Agreements the maximum amount of assistance is capped at 20% of the estimated total project costs.
  - For Tax Increment Loan at Occupancy Agreements the maximum amount of assistance is capped at 20% of the estimated total project costs. Applicant proposes 6.04% TID to project cost.
  - For Tax Increment Loan at Project Start Agreements the maximum amount of assistance is capped at 10% of the estimated total project costs.

- Payback Period Criteria[1]: All requests for TIF assistance will be required to demonstrate that the tax increment estimated to be generated by the project will be sufficient to payback any TIF assistance provided by the Village (including applicable interest expenses) in support of the project according to the following terms:

  - For Pay-As-You-Go (Developer Financed) Agreements. Payments to the Developer shall commence with the first year in which the Village receives tax increment from the completed project and continue no longer then the year in which the applicable TID terminates, or until the maximum amount of assistance is reached, whichever comes first. In addition, the annual amount of tax increment applied toward retirement of the developer loan shall not exceed 90% of the actual annual amount of tax increment collected from the project, unless a higher percentage is granted by the Village Board.

[1] At the Village's discretion, the maximum amount of assistance and/or the payback period criteria may be modified for projects that demonstrate substantial merit (e.g. completion of LEED Certified Buildings, projects which lead to at least 50% of all jobs created with annual salaries (not including benefits) at or exceeding the median household income for the Village as reported by the U.S. Census, etc.).

Refer to staff report for additional details. Adherence to the latter part of the criteria depends in part on whether the Village considers the prior site acquisition/clean-up costs and 2022 planned Terminal Drive improvements as part of the TIF incentive and whether the TID will collect it's final tax increment payment in year 2027 or 2028 based on the dated the Village Board terminates the TID.

- For Traditional Loan Agreements. Within 12 years starting with the year the loan is obtained and no longer then the year in which the applicable TID terminates. Interest shall be charged based on current general obligation loan interest rates from the Wisconsin Board of Commissioners of Public Lands, for the applicable loan term, at the time of Village disbursement of funds, plus 0.15%.
- For Tax Increment Loan at Occupancy Agreements. Within 12 years starting with the year the loan is obtained and no longer then the year in which the applicable TID terminates.
- For Tax Increment Loan at Project Start Agreements. Within 7 years starting with the year the loan is obtained and no longer then the year in which the applicable TID Expenditure Period ends.

<u>Financial/Project Assurances Criteria</u>: The applicant must agree to provide financial and project completion guarantees to the Village. These may include, but are not limited to, assessment guarantees, letters of credit, personal or corporate guarantees, minimum payment agreements, lien waivers for contractors, consent of mortgagee or other loan security instrument.

Applicant proposing $3,800,000 assessment guarantee, 77% of total project costs, 82% of total land value + building + site costs, and 97% of building + site costs (hard costs). The $3.8M Assessment Guarantee is also the same as prior projects for Waubesa Village Phase 2 & 3.

<u>Technical & Operational Capability Criteria</u>: The applicant must provide evidence satisfactory to the Village that the applicant possesses the technical ability to complete the project or has obtained construction cost estimates from professional businesses capable of performing the work. Applicants must demonstrate that they have the ability to operate the proposed use. The Village may require applicants to submit copies of contracts with design professionals and construction contractor prior to receiving financial assistance from the Village.

Quam Eng, Riegert Gen. Contractor. Prior experience with similar projects in the Village.

<u>Insurance Criteria</u>: Applicants shall furnish to the Village certificates of insurance for all insurance policies required under the development agreement prior to receiving financial assistance from the Village.

To be included in Development Agreement.

<u>Adherence to Local Land Use Plans Criteria</u>: The project is consistent with the Village of McFarland Comprehensive Land Use Plan, Village Building or Zoning Ordinances, or any other applicable plans and ordinances adopted by the Village which includes the subject property.

General and Detailed PUD application approved by the Village Board on July 26, 2021, as Ordinance 2021-07.

<u>Adherence to TIF Project Plan Criteria</u>: All requests for TIF assistance must clearly comply with the requirements of the Wisconsin TIF Statutes and the Village's adopted TID Project Plan applicable to the subject property.

<u>Creation of Tax Increment Criteria</u>: The project <u>will not</u> result in a tax exempt property, aside from any remnant portions of a parcel which are specifically dedicated to the Village for public use. Applicants will be required to return any TIF assistance provided to the Village if during the terms of the development agreement the property becomes exempt from property taxes.

<u>Applicant in Good Standing Criteria</u>: The applicant does not have a history of delinquent property tax payments or own any property within the Village with known zoning or building code violations.

Applicant has been meeting development agreement requirements for Waubesa Village. Some prior issues related to meeting development agreement for Ezra Properties Phase 1. Remaining TIF payment on hold pending compliance with terms of development agreement.

<u>Absence of Conflict of Interest Criteria</u>: The applicant is not a member of the Village Board or a Village Committee, or any other official, employee, or agent of the Village who is authorized to exercise policy decision-making functions or responsibilities in connection with the application.

<u>Application Criteria</u>: A completed application, fee, and escrow have been filed with the Village Community Development Director.

Includes "balance" of prior net investment costs for acquisition and clean-up of 4902 Terminal Drive. These costs have already been recovered from tax increment revenues but are shown here to provide an overall accounting for prior investments in the redevelopment of the project site.

Includes additional $24,000 for estimated share of Terminal Drive sidewalk/trail and curbing. Project to be completed by Village in 2022 as part of reconstruction of Terminal Drive from Siggelkow Road to Lift Station #4.

Excludes "balance" of prior 4902 investment and 2022 share of Terminal Drive improvements

Village of McFarland — **TID #3** — **Waubesa Village - Phase 4 (9.29.21)**

A IMPROV. DURING YEAR	B BEGINNING OF YEAR VALUE	C EST. GROWTH IN VALUE FROM NEW DEVELOP.[1]	D CUMULATIVE VALUE	E INFLATION INCREMENT[2]	F END OF YEAR VALUE	G TAX INCREMENT VALUE	H TAX VALUE YEAR	I TAX RATE[3] $1,000	J TAX INCREMENT COLLECTED	K COLLECTION YEAR	L TIF PAYMENT TO WV[4]	M ANNUAL CASH FLOW TO THE TID	N CUMULATIVE PRJ FUND BALANCE[5]	O PAYMENT YEAR	P CUMULATIVE PRJ FUND BALANCE[6]
2019	$214,500	$0	$214,500	$0	$214,500	$0	2020	$19.45	$0	2021	$0	$0	($67,938)	2021	$0
2020	$214,500	$0	$214,500	$0	$214,500	$0	2021	$19.45	$0	2022	$226,500	($226,500)	($318,438)	2022	($226,500)
2021	$233,300	$0	$233,300	$0	$233,300	$0	2022	$19.45	$0	2023	$0	$0	($318,438)	2023	($226,500)
2022	$233,300	$3,566,700	$3,800,000	$0	$3,800,000	$3,566,700	2023	$19.45	$69,373	2024	$0	$69,373	($249,065)	2024	($157,127)
2023	$3,800,000	$0	$3,800,000	$0	$3,800,000	$3,566,700	2024	$19.45	$69,373	2025	$0	$69,373	($179,692)	2025	($87,754)
2024	$3,800,000	$0	$3,800,000	$0	$3,800,000	$3,566,700	2025	$19.45	$69,373	2026	$0	$69,373	($110,319)	2026	($18,381)
2025	$3,800,000	$0	$3,800,000	$0	$3,800,000	$3,566,700	2026	$19.45	$69,373	2027	$0	$69,373	($40,946)	2027	$50,992
												$69,373	$28,427	2028	$120,365
	Totals	**$3,566,700**		**$0**					**$277,492**		**$226,500**				

Impacts to proforma from potential additional year of tax increment collection based on date in which the Village Board passes termination resolution

ASSUMPTIONS

1. Assumes $3.8M assessment value from the construction of Phase 4 (same as Phases 2 & 3). Assumes demo of 4908 Terminal in 2022, start and completion of Phase 4 in 2022.
2. No Inflation or deflation of assessment values
3. No changes in tax rate
4. Includes Tax Increment Loan at Occupancy payment of $226,500
5. Includes previous TIF expense to acquire and clean-up 4902 Terminal Drive ($153,787) minus prior rental income ($85,849), plus $24,000 in Terminal Drive sidewalk/trail and curb costs in 2022
6. Excluding previous TIF expense to acquire and clean-up 4902 Terminal Drive and 2022 Terminal Drive sidewalk/trail and curb costs

TID DATES

Creation Date: 08-09-2004

Expenditure Period: 08-09-2022

Termination Date: 08-09-2027

VILLAGE OF
McFarland

SUMMARY SHEET

MEETING DATE: **Wednesday, October 6, 2021**

SECTION: **Business**

DEPARTMENT: **Community Development**

CONTACT: **Andrew Bremer, Comm & Eco Dev Director**

AGENDA ITEM: **Presentation and discussion regarding role and responsibility of the Community Development Authority.**

PREVIOUS ACTION:

ISSUE SUMMARY:

Chapter 2, Article III, Division 4, Community Development Authority of the Municipal Code provides the Composition, Powers and Duties of the CDA. Per Sec. 2-248, the CDA shall have all the powers set forth under Wis. Stat. 66.1335(4) to undertake, as approved by the Village Board, blight elimination, urban renewal, and community development programs and projects and housing projects. As such, under our current setup the CDA serves in an advisory capacity to the Village Board. Statutes allow CDAs to be autonomous if locally desired but that would have to be a policy decision the Village Board would need to consider. Essentially, to what extent should the CDA be granted discretion to make its own decisions versus making recommendations to the Village Board. Currently the board is considering restructuring its board, commission, and committee system. There are three sets of reviews being conducted and the CDA is included as part of the third grouping whereby that review has not been taken up yet. The board could further consider this question during its review process.

Traditionally, the CDA has served to assist with the creation and management of the Village's Tax Increment Financing Districts. This includes the review and recommendation of applications for Tax Increment Financing Development Incentives and associated Development Agreements. The CDA has also assisted in the creation of site and building design guidelines for the Village's TIF Districts. While the primary role of the CDA is in regards to the Village's TIF Districts, other blight elimination, urban renewal and community development programs, outside of TIF Districts, can also be referred to the CDA. This agenda item is presented as an opportunity to review the powers and duties of the CDA under the Village Municipal Code and to discuss how the CDA can continue to support the Village Board, including potential discussion of initiatives the CDA or Village Board may desire to undertake.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

Chapter 2, Article III, Division 4 Community Development Authority

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
This agenda item is present for discussion only.

ATTACHMENTS:
1. Chapter 2, Article III, Division 4 Community Development Authority

DIVISION 4. - COMMUNITY DEVELOPMENT AUTHORITY

Sec. 2-247. - Composition.

(a) The Village Board has determined there exists within the Village a need for blight elimination, urban renewal and community development programs and projects and housing projects. The Community Development Authority of the Village is created for the purpose of carrying out blight elimination, slum clearance, urban renewal programs and projects and housing projects.

(b) The Community Development Authority shall consist of seven commissioners who are residents appointed by the Village President with the confirmation of the Village Board and who shall have sufficient ability and experience in the fields of urban renewal, community development and housing.

(c) Two commissioners shall be Village Trustees of the Village Board and shall serve during their term of office as Village Trustees.

(d) The terms of non-Village-Trustees shall be staggered four years and until their successors are appointed and qualified.

(e) The Community Development Authority shall choose annually from its members a chairperson and such other officers as it deems necessary.

(f) Commissioners shall be reimbursed their actual and necessary expenses including local travel expenses incurred in the discharge of their duties, but shall receive no other compensation.

Sec. 2-248. - Powers and duties.

The Community Development Authority shall have all the powers set forth under Wis. Stats. § 66.1335(4) to undertake, as approved by the Village Board, blight elimination urban renewal and community development programs and projects and housing projects.

Secs. 2-249—2-258. - Reserved.

VILLAGE OF
McFarland

SUMMARY SHEET

MEETING DATE: **Wednesday, October 6, 2021**

SECTION: **Business**

DEPARTMENT: **Community Development**

CONTACT: **Andrew Bremer, Comm & Eco Dev Director**

AGENDA ITEM: **Discussion regarding the policy manual for Tax Increment Financing requests.**

PREVIOUS ACTION:

ISSUE SUMMARY:
In November of 2017, after review and recommendation by the CDA, the Village Board adopted the use of a Tax Increment Financing Development Incentives Policy Manual & Application. The purpose of the policy manual and application is to serve as a guide by which the CDA and Village Board may consider requests for development incentives within any of its TIF Districts. The TIF Policy Manual & Application was last updated in April of 2019. A copy is enclosed in the packet. This agenda item is presented for discussion to obtain preliminary feedback from CDA and Village Board members on ways in which either the TIF Policy Manual or Application might be improved to aid in the review of future requests for TIF development incentives. This could include changes in processes, funding criteria or application requirements. Feedback from the discussion will be collected by staff with the potential to present, for future discussion by the CDA, specific revisions to consider for recommendation to the Village Board for their final approval.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
This agenda item is presented for discussion.

ATTACHMENTS:
1. McFarland_TIF Incentives Policy Manual and Application_04082019

Tax Increment Financing
Development Incentives
Policy Manual

1. Purpose

The attached policies, and associated application, have been adopted by the Village of McFarland for the purpose of guiding decisions related to requests for development incentives within Village tax increment financing (TIF) districts.

2. Disclaimer

The authority to make decisions regarding the use of TIF funds is vested solely in the Village Board of the Village of McFarland. This policy manual and associated application have been prepared by the Village to provide both Village Officials and applicants a consistent process and set of criteria for reviewing requests for TIF assistance. The actual amount of TIF assistance provided to a project will be determined at the discretion of the Village Board on the basis of need, risk, project characteristics, applicant qualifications and the degree to which the project meets the public objectives of the Village described in Section 3 General Objectives and Section 6 Evaluation Criteria. The Village Board reserves the right to amend or adjust these policies, and recommend any project the Village Board deems to be in the best interests of the Village of McFarland.

The Village Board also reserves the right to reject any and all applications, even those which satisfy all of the attached criteria for the use of TIF for any reason whatsoever, without regard for the viability of the project. The Village will provide the applicant with reasons for rejecting the application. Examples why a project may be rejected include but are not limited to: the Village's own capacity to fund the project, the scale of the project is too small, the project results in minimal public benefits, failure to meet one or more evaluation criteria, other existing Village, County or State funding programs are available for the proposed project, the project results in a tax exempt property, etc.

3. General Objectives for the Use of Tax Increment Financing – Development Incentives

The overall objective of the program is to stimulate redevelopment of commercial, industrial, multi-family (4+ units) residential, and mixed-use properties within the boundaries of Village TIF districts. While TIF is an important and useful economic development tool, it is essential that it be used appropriately to accomplish the Village's economic development goals and objectives. A fundamental principle of tax increment financing is that it is designed to encourage development that would not otherwise occur, or would only occur to a lesser extent, "but for" the assistance provided through tax increment financing. It is the policy of the Village Board to consider the judicious use of TIF incentives for those projects that demonstrate a substantial and significant public benefit by:

- ✓ Eliminating blight, unhealthy, or unsafe conditions
- ✓ Strengthening the employment and economic base of the Village
- ✓ Increasing property values and tax revenues
- ✓ Fostering rehabilitation and conservation activities
- ✓ Installing, constructing, or reconstructing community amenities or utilities
- ✓ Implementing plans and development strategies adopted by the Village
- ✓ Implementing high-quality site and building designs and materials

4. Eligible Costs

Allowable uses of TIF development incentives include, but are not limited to:

- ✓ Land acquisition and surveying
- ✓ Construction costs of new building and utility improvements (interior or exterior)
- ✓ Environmental audits or remediation
- ✓ Demolition of buildings and site grading to bring sites to shovel ready status
- ✓ Rehabilitation of existing structures and utilities (interior or exterior)
- ✓ Site improvements (parking, landscaping, lighting, stormwater, signage, etc.)
- ✓ Planning, legal, engineering, architectural, financing, permit costs and reasonable developer fees

5. METHODS OF FINANCING & PROJECT COMPLETION ASSURANCES

Applications for TIF assistance require the applicant to indicate the type of financing method they are requesting from the Village from the list of options below. The list is ordered sequentially based on the Village's preferred methods of providing TIF assistance. Applicants seeking more advantageous financing terms (e.g. Tax Increment Loan at Project Start) should be aware that the Village reserves the right to both specify which form of financing the Village will offer based on the merits of the project AND to lower the amount of TIF assistance (i.e. as the Village incurs more risk the Village reserves the right to reduce the amount of assistance below the amount requested). The Village may also consider the use of a combination of financing methods.

- Pay-As-You-Go (Developer Financed Loan): Under a pay-as-you-go incentive the applicant finances the upfront costs related to the construction project and the Village agrees to make an annual payment back to the applicant starting with the first year the Village receives taxes from the improved property (i.e. two years after project completion). The terms of the annual payment are subject to the development agreement negotiated and signed by both parties. The terms are typically represented as a percentage of the annual tax increment collected over a set period of years (e.g. 90% of the actual tax increment collect over 10 years or until the total requested financing amount has been reached).

- Traditional Loan. The Village may provide financing in the form of a loan at project start (e.g. after completion of the development agreement and within 60 days of receiving all necessary building permits). The terms of the loan (i.e. interest rate, amortization schedule, collateral) will be negotiated as part of the development agreement. The Village may also consider the use of no-interest loans or loans with forgivable payments (e.g. waiving a final payment) to provide an additional incentive to the applicant based on the merits of the proposed project. The use of future tax increments generated from the project to pay back the loan from the Village is not applicable. Examples of this type of financing are usually part of a community façade improvement revolving loan program.

- Tax Increment Loan at Occupancy. The Village may provide financing in the form of a loan at occupancy. Under this form of financing the Village provides a cash payment at the time (e.g. within 60 days) the proposed applicant completes the project (i.e. receives a building occupancy permit from the Village). The Village reserves the right to withhold a percentage of the TIF assistance until all landscaping has been installed on the property in accordance with approved site plans. The loan is paid back through future tax increments generated from the project.

- Tax Increment Loan at Project Start. The Village may provide financing in the form of a loan at the start of a project. Under this form of financing the Village provides a cash payment at the time the project starts (e.g. after completion of the development agreement and within 60 days of receiving all necessary building permits). The Village reserves the right to stagger payments to the applicant from the time of obtaining building permits to the time of receiving a building occupancy permit based on meeting predetermined construction milestones. The Village reserves the right to withhold a percentage of the TIF assistance until all landscaping has been installed on the property in accordance with approved site plans. The loan is paid back through future tax increments generated from the project.

Applicants are advised that the Village will require certain financial and project completion guarantees. These may include, but are not limited to, assessment guarantees, letters of credit, personal or corporate guarantees, minimum payment agreements, lien waivers for contractors, consent of mortgagee or other loan security instruments. In addition, the Village reserves the right to require an applicant to provide copies of paid invoices demonstrating actual costs incurred and to adjust accordingly any assistance provided by the Village in proportion to the ratio of estimated to actual project costs. **All terms and obligations of the Village and the applicant shall be finalized through the execution of a development agreement**.

6. EVALUATION CRITERIA – DEVELOPMENT INCENTIVE QUALIFICATIONS

The following criteria and qualifications will be used by the Village to evaluate requests for development incentives. All terms and obligations of the Village and the applicant shall be finalized through the execution of a development agreement.

- ☐ Location Criteria: The proposed project must be within the boundaries of a Village TIF district at the time of approval of a development agreement.

- ☐ Ownership Criteria: The applicant must be the owner of the property or have a written agreed option to purchase the property from the current owner at the time of approval of a development agreement. Proof of property ownership will be required prior to receiving financial assistance from the Village.

- ☐ "But For" Criteria: The applicant must demonstrate to the Village's satisfaction that "but for" the TIF assistance, the project is not feasible on the proposed site, or would occur to a lesser extent, and that the public benefits described in Section 3 General Objectives would not be achieved.

- ☐ Financial Capability Criteria: Each TIF application must include evidence that the applicant possesses the financial ability to complete and operate the project and will be liable for, or contribute equity of at least 15% of the total cost of the project. Proof of equity and private commercial lending commitment will be required prior to receiving financial assistance from the Village.

- ☐ Maximum Assistance Criteria[1]: The total amount of TIF assistance in support of a project is based on the form of incentives requested as described below and the overall value of the project to the community. For applicants requesting a combination of financing (e.g. pay-go and tax increment loan at occupancy) the maximum amount of assistance shall not exceed 30% of the estimated total project costs, with the final percentage within each form of financing determined by the Village Board. The Village at its discretion may include in the total percentage of project costs other costs incurred by the Village in support of bringing the subject property to shovel ready status (e.g. prior land acquisition costs, environmental remediation costs, public works costs, etc.).

    - ▫ For Pay-As-You-Go (Developer Financed) Agreements the maximum amount of assistance is capped at 30% of the estimated total project costs.
    - ▫ For Traditional Loan Agreements the maximum amount of assistance is capped at 20% of the estimated total project costs.
    - ▫ For Tax Increment Loan at Occupancy Agreements the maximum amount of assistance is capped at 20% of the estimated total project costs.
    - ▫ For Tax Increment Loan at Project Start Agreements the maximum amount of assistance is capped at 10% of the estimated total project costs.

- ☐ Payback Period Criteria[1]: All requests for TIF assistance will be required to demonstrate that the tax increment estimated to be generated by the project will be sufficient to payback any TIF assistance provided by the Village (including applicable interest expenses) in support of the project according to the following terms:

    - ▫ For Pay-As-You-Go (Developer Financed) Agreements. Payments to the Developer shall commence with the first year in which the Village receives tax increment from the completed project and continue no longer then the year in which the applicable TID terminates, or until the maximum amount of assistance is reached, whichever comes first. In addition, the annual amount of tax increment applied toward retirement of the developer loan shall not exceed 90% of the actual annual amount of tax increment collected from the project, unless a higher percentage is granted by the Village Board.

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[1] At the Village's discretion, the maximum amount of assistance and/or the payback period criteria may be modified for projects that demonstrate substantial merit (e.g. completion of LEED Certified Buildings, projects which lead to at least 50% of all jobs created with annual salaries (not including benefits) at or exceeding the median household income for the Village as reported by the U.S. Census, etc.).

- ☐ For Traditional Loan Agreements. Within 12 years starting with the year the loan is obtained and no longer then the year in which the applicable TID terminates. Interest shall be charged based on current general obligation loan interest rates from the Wisconsin Board of Commissioners of Public Lands, for the applicable loan term, at the time of Village disbursement of funds, plus 0.15%.
- ☐ For Tax Increment Loan at Occupancy Agreements. Within 12 years starting with the year the loan is obtained and no longer then the year in which the applicable TID terminates.
- ☐ For Tax Increment Loan at Project Start Agreements. Within 7 years starting with the year the loan is obtained and no longer then the year in which the applicable TID Expenditure Period ends.

☐ Financial/Project Assurances Criteria: The applicant must agree to provide financial and project completion guarantees to the Village. These may include, but are not limited to, assessment guarantees, letters of credit, personal or corporate guarantees, minimum payment agreements, lien waivers for contractors, consent of mortgagee or other loan security instrument.

☐ Technical & Operational Capability Criteria: The applicant must provide evidence satisfactory to the Village that the applicant possesses the technical ability to complete the project or has obtained construction cost estimates from professional businesses capable of performing the work. Applicants must demonstrate that they have the ability to operate the proposed use. The Village may require applicants to submit copies of contracts with design professionals and construction contractor prior to receiving financial assistance from the Village.

☐ Insurance Criteria: Applicants shall furnish to the Village certificates of insurance for all insurance policies required under the development agreement prior to receiving financial assistance from the Village.

☐ Adherence to Local Land Use Plans Criteria: The project is consistent with the Village of McFarland Comprehensive Land Use Plan, Village Building or Zoning Ordinances, or any other applicable plans and ordinances adopted by the Village which includes the subject property.

☐ Adherence to TIF Project Plan Criteria: All requests for TIF assistance must clearly comply with the requirements of the Wisconsin TIF Statutes and the Village's adopted TID Project Plan applicable to the subject property.

☐ Creation of Tax Increment Criteria: The project will not result in a tax exempt property, aside from any remnant portions of a parcel which are specifically dedicated to the Village for public use. Applicants will be required to return any TIF assistance provided to the Village if during the terms of the development agreement the property becomes exempt from property taxes.

☐ Applicant in Good Standing Criteria: The applicant does not have a history of delinquent property tax payments or own any property within the Village with known zoning or building code violations.

☐ Absence of Conflict of Interest Criteria: The applicant is not a member of the Village Board or a Village Committee, or any other official, employee, or agent of the Village who is authorized to exercise policy decision-making functions or responsibilities in connection with the application.

☐ Application Criteria: A completed application, fee, and escrow have been filed with the Village Community Development Director.

7. APPLICATION PROCEDURE

Applications submitted for TIF assistance shall be reviewed through the following process:

- ☐ Initial Consultation. Applicants are encouraged to meet with the Village Administrator and Community Development Director to discuss proposed TIF assistance requests and conceptual development plans prior to submitting an application.

- ☐ Plan Commission Referral. Applicants may be referred to the Village's Plan Commission to discuss the proposed project in order to gain better insight on how to design the project to meet the Village's planning objectives and applicable zoning requirements. *Note, it is not the intent of the Plan Commission to make recommendations regarding the financing requested, only design aspects of projects.*

- ☐ Application. Application materials, including the required fee and escrow shall be submitted to the Village Community Development Director who will notify the appropriate Village Staff, Village Attorney or any other professional who provides services to the Village whom are directed by the Village Community Development Director to review the application.

- ☐ Fees and Escrow Deposit. A processing fee in the amount of $250 per application must be submitted with the application. In addition, the applicant will be required to submit an initial escrow deposit in the amount of $2,500 per application, with addition $2,500 increment payments as needed, to reimburse fees for professional services incurred by the Village related to the review of the application or development agreement.

- ☐ Preliminary Determination of Completeness. The Village Community Development Director, and other designated staff, will review the application for completeness and applicability. If the application is incomplete or if additional information is needed the applicant will be notified that the application is not complete, and the reasons will be stated referring to the specific additional information required. The applicant may then resubmit the application with additional information/modifications or may withdraw the application.

- ☐ Project Management Team Review. The Village's Project Management Team (PMT) will review the application for eligibility and complete a pro forma analysis of the project. In order to better understand the needs of the project, the applicant or staff may request a meeting(s). Review time will be approximately 30 days from the date the completed application is submitted to the Village; however, more or less time may be required for particular applications. Upon completion of staff review, the application and a supplemental staff report will be submitted to the Village's Community Development Authority.

- ☐ Community Development Authority Recommendation. Within 30 days of receiving the staff report the TIF application shall be reviewed by the Village Community Development Authority (CDA), unless a delay is requested by the applicant. The applicant will be notified of the date of the meeting(s)[2] in which the application is reviewed. Applicants will be required to be present at the CDA meeting to answer questions regarding the proposed project. The CDA will make a recommendation to the Village Board to approve, approve with conditions, deny the application, or table the application pending further discussion or information by the applicant.

- ☐ Village Board Preliminary Approval. The application will be reviewed by the Village Board at its next scheduled meeting following action by the CDA. The applicant will be notified of the date of Village Board meeting(s)[2] in which the application is reviewed. Applicants will be required to be present at the Village Board meeting to answer questions regarding the proposed project. The Village Board at their discretion may refer the matter to another Village committee for recommendation or may hold a public hearing. The Village Board may approve, approve with conditions, deny the application, or table the application pending further discussion or information by the applicant. *Note, at this stage in the process the Village Board may make a determination as to whether*

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[2] The CDA and/or Village Board may meet in closed session, pursuant to Wisconsin statutes, to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session, specifically to discuss the TIF application or Development Agreement.

to provide TIF assistance, a maximum amount of assistance, the form of incentives, and required assurances. These decision points will provide parameters for Village Staff and the applicant to negotiate a draft Development Agreement for future consideration by the Village Board.

☐ Draft Development Agreement. Upon preliminary approval of the TIF Application by the Village Board, Village Staff shall create a draft Development Agreement based on the direction provided by Village Board. The draft Development Agreement will be reviewed with the applicant. The Development Agreement will describe the obligations of both the Village and the applicant, and the terms and conditions of TIF assistance.

☐ Village Board Final Approval. The Development Agreement will be reviewed by the Village Board. The applicant will be notified of the date of Village Board meeting(s)[2] in which the Development Agreement is reviewed. Applicants will be required to be present at the Village Board meeting to answer questions regarding the proposed Development Agreement. The Village Board may approve, approve with conditions, deny the Development Agreement, or table action pending further discussion or information by the applicant. *Note, the applicant shall also be responsible for submitting other documentation in order to gain required zoning or building permit approvals.*

☐ Expiration. Approved TIF applications shall become void if after six months (6) from the date of approval the applicant and Village have not executed the Development Agreement, unless both parties agree to an extension.

TAX INCREMENT FINANCING DEVELOPMENT INCENTIVES APPLICATION

Application ID: ___________ (Year) - ________ (#) to be completed by Village Community Development Director upon submittal

Please complete and submit the following information to the Village Community Development Director for a more detailed review of the feasibility of your request for Tax Incremental Financing (TIF) Development Incentives. The application is comprised of five sections: (A) Applicant Information, (B) Property Information, (C) Project/Business Information, (D) TIF Request, (E) Budget/Financing Strategy, and (F) Applicant Certification and Acknowledgement. Where there is not enough room for responses provided, please use an attachment. Where questions do not apply, mark NA (not applicable). Applicants are encouraged and may be required to submit additional information such as site plans, environmental studies, market studies, business plans, business or personal financial statements, or financial commitment letters to be included for review and consideration.

A. APPLICANT INFORMATION

Project Name: ______________________________

Applicant: ______________________________

Mailing Address: ______________________________

Primary Contact: ______________________ Telephone: ______________

Email: ______________________ Fax: ______________

Legal Entity: ☐ Individual(s) ☐ Joint Tenants ☐ Tenants in Common

☐ Corporation ☐ LLC ☐ Partnership ☐ Other: ____________________

If not a Wisconsin corporation/partnership/LLC, state where organized: ___________________________________

Will new entity be created for ownership? ☐ No ☐ Yes

Is any owner, member, stockholder, partner, officer or director of any previously identified entities, or any member of the immediate family of any such person, an employee or elected official of the Village of McFarland?

☐ No ☐ Yes, If yes, give the name and relationship of the employee: ___________________________________

____

Provide the names of consultants (e.g. attorneys, engineers, planners, architects, contractors, etc.) authorized to act on behalf of the applicant.

Name	Title/Company	Email	Phone #

B. PROPERTY INFORMATION

Parcel(s) Address: ____

Parcel(s) Tax Number: ____

As the Applicant, are you the current owner of this parcel(s)? ☐ No ☐ Yes

If no, current owner is: ____

If no, do you have an agreed upon option to purchase the property? ☐ No ☐ Yes (provide

documentation and note the expiration date here: ____

Total Lot Size: ____________________square feet

Parcel Contains Existing Buildings? ☐ No ☐ Yes

If yes, indicate Total Building Size_____________________sq.ft.

Most recent property assessment (PA):

$________________ Land $ ________________ Improvements $ ________________ Total

Existing Uses: ____

Existing Zoning: ____

Existing Uses, Adjacent Parcels: _______________N ______________S _______________E _______________W

Existing Zoning, Adjacent Parcels: _______________N _______________S _______________E _______________W

Will a zoning change be requested? ☐ No ☐ Yes

If yes, indicate new zoning ____

Identify other approvals, permits, or licenses your project may need (e.g. County, State or Federal permits).

____

Existing Mortgage Holder: ____

Contact Person & Phone Number: ____

Does the property have any existing tax delinquencies, zoning or building violations? ☐ No ☐ Yes

If yes, explain: ____

C. PROJECT/BUSINESS INFORMATION

The proposed project is: ☐ An Improvement to Existing Business ☐ A New Business(s)

☐ Business Relocation ☐ Residential Development ☐ Other

Project Description. Include any plans or illustrations prepared for the project, if available. At a minimum, a concept plan shall be submitted with the application.

Will the project incorporate any "sustainability" or "green design" concepts? Describe.

Current annual revenue: $_________________ Estimated annual revenue: $________________

Current annual expenses: $_________________ Estimated annual expenses: $________________

Business Plan and/or Marketing Plan attached? ☐ No ☐ Yes

Balance Sheets and Profit and Loss Statements for the past two years attached? ☐ No ☐ Yes

Describe the project schedule.

Final Plan/Specification Preparation Date: _____________________________

Preliminary Construction Start Date: _________________________________

Preliminary Construction Completion Date: ____________________________

Date Occupied or Opened: ____

Number of principal buildings and estimated square footage: ____

Estimated equalized assessed valuation after project completion (EAV)

$ ____________ Land $ ____________ Improvements $ _____________ Total

Estimate the incremental property taxes to be generated by the project (attach any independent appraisals).

Pre-improvements: $ _______________ PA x _________ Mill Rate = $ ______________ Total (A)

Post-improvements: $ _______________ PA x _________ Mill Rate = $ ______________ Total (B)

Additional increment (B-A) = $_______________________________

Will the proposed project result in the relocation of economic activity/businesses from another location within the Village? ☐ No ☐ Yes

If yes, discuss the nature of any anticipated relocations and the impact the relocation would have on the neighborhood where such activity is currently located.

____

____

Will the proposed project result in the relocation of economic activity from an adjacent community?
☐ No ☐ Yes

If yes, discuss the nature of any anticipated relocations and the impact the relocation would have on the community where such activity is currently located.

____

____

____

Identify any proposed tenants of the project. Have leases been negotiated or signed? ☐ No ☐ Yes

____

____

____

Who will own and operate the developed property? ____

Do similar businesses/uses already exist in McFarland?

☐ No ☐ Yes, If yes, indicate ____

Describe any differences in your proposed business/uses to existing businesses/uses

____

____

Current and Created Jobs by Annual Wage Range (Full Time ≥ 30 hrs/week).

$0-$19,000

______Full Time (current) ______Part Time (current) ______FT (created) ______PT (created)

$20,000-$39,000

______Full Time (current) ______Part Time (current) ______FT (created) ______PT (created)

$40,000-$59,000

______Full Time (current) ______Part Time (current) ______FT (created) ______PT (created)

$60,000+

______Full Time (current) ______Part Time (current) ______FT (created) ______PT (created)

Average per hour wage rate of all employees (not including benefits) $_____________________

Approximately what percentage of employees do you expect will be hired from the McFarland area (i.e. 53558 zip code)___________.

Will the proposed business offer its employees a benefit package including health care and retirement benefits?
☐ No ☐ Yes

Discuss neighborhood impact/support for the project. Has the applicant discussed the project with neighboring property owners? ☐ No ☐ Yes

Discuss any history of community involvement by the applicant or business within the Village.

Has any portion of the project already been started or completed? ☐ No ☐ Yes

If yes, describe the portions of the project completed, the work remaining, and why public financing is necessary to complete the project.

D. TIF REQUEST

State the total amount of TIF assistance being requested: $____

State the form of incentives requested:

☐ Developer Loan (pay-as-you-go) ☐ Traditional Loan ☐ Tax Increment Loan at Occupancy

☐ Tax Increment Loan at Project Start ☐ Other ____

State the need and justification for TIF assistance. Explain how the applicant intends to demonstrate compliance with the "but for" test. Substantiate that other alternative methods of financing have been thoroughly explored.

Check which box(s) best describe the use of TIF funds:

☐ Land Acquisition/Survey ☐ Environmental Audits ☐ Site Grading

☐ Demolition/Remediation ☐ New Construction ☐ Rehabilitation/Expansion

☐ Utility Improvements ☐ Parking/Access ☐ Landscaping

☐ Recreation/Conservation ☐ Professional Services ☐ Financing Costs

☐ Other ____

E. PROJECT BUDGET AND FINANCIAL STRATEGY

Project Costs	Amount ($)	Source(s) of Financing
Property Acquisition		
Environmental testing/remediation		
Demolition		
Construction of new building(s)		
Site Improvements		
Renovation of existing structures		
Cost of installation of machinery/equipment		
Architectural/Engineering fees		
Legal & other professional fees		
Permit fees		
Financing fees		
Developer fees		
Other (please specify)		
Total Project Costs		

Budget source: ☐ Developer ☐ Arch/Eng ☐ Contractor ☐ Other ______________________________

Sources of Financing	Amount ($)	Percent of Total Costs
TIF		%
Equity		%
Loans		%
Grants		%
Other (please specify)		%
Total Project Costs		**100.0 %**

Lender for Project if in addition to the Village: ____

Officer__________________________________Phone________________Email________________________________

Preapproved: ☐ No ☐ Yes, attach a Letter of Commitment from the Lender indicating that the applicant has sufficient financial resources to obtain the private financing for the project.

Grant Sources: ______________________________________ Grant Amount: ________________________________

Grant Officer:____________________________Phone________________Email________________________________

Application Status: ____

Date of Grant Announcement: ___________________________________

F. APPLICANT CERTIFICATION AND ACKNOWLEDGEMENT

I acknowledge being informed that the Village of McFarland (Village) will, upon request by a member of the public or in the course of reporting its activities to the public, disclose the names of individuals requesting Tax Incremental Financing (TIF), the amount of TIF requested, state/federal programs used, if any, and the development impact of the TIF requested (e.g. jobs created, tax base impact and total project investment). I have been assured by the Village, and I understand, that other financial information provided by me in connection with this application or with assistance from the Village, if any is given (including, but not necessarily limited to business and personal financial statements, business operating statements, data on historical and projected future sales or other aspects of business performance, and business plans) will, to the extent permissible by law, and except for use in collection proceedings, if any, be treated as confidential. This will confirm that I have relied upon such assurance by the Village in providing financial information to the Village, and that, but for such assurances, such information would not be provided.

I certify that the information contained in this application is, to the best of my knowledge, true and correct. I agree to notify the Village, in writing, of any changes that materially affect the accuracy of this statement. I authorize the Village or its agents to verify the information provided in this application and to obtain additional information concerning the applicant(s) financial condition.

I certify through signing the TIF application that the final form and amount of financing the Village offers may differ from that requested. The form and amount of financing shall be finalized through the execution of a development agreement.

I certify that financial, insurance, and project assurances will be required as part of the final development agreement to be negotiated with the Village upon preliminary approval of this application. These may include, but are not limited to, assessment guarantees, letters of credit, personal or corporate guarantees, minimum payment agreements, lien waivers for contractors, consent of mortgagee or other loan security instrument. All terms and obligations of the Village and the applicant shall be finalized through the execution of a development agreement.

I certify, by signing and submitting this application, that additional costs, above the amount of the application fee, incurred by the Village for outside professional review or expertise of this application, and any development agreement resulting from this application, will be the responsibility of the applicant. I further certify, that denial of the application or failure to reach agreement with the Village on a development agreement shall not entitle the applicant to a refund of the application fee or any amounts of the escrow used in the review of the application.

Applicant ____ Title ___________________________

Signature ____ Date ___________________________

Return To:

Village of McFarland
Attn: Village Community Development Director
5915 Milwaukee Street
McFarland, WI 53558
P: 608-838-3153

VILLAGE OF
McFarland

SUMMARY SHEET

MEETING DATE: **Wednesday, October 6, 2021**

SECTION: **Business**

DEPARTMENT: **Community Development**

CONTACT: **Andrew Bremer, Comm & Eco Dev Director**

AGENDA ITEM: **Discussion and possible action to make a recommendation to the Village Board regarding a revised Tax Increment Financing Development Incentive Application from Waubesa Village LLC (Ryan Quam) for 4902 & 4908 Terminal Drive as Waubesa Village Phase 4 located within Tax Inrement District #3.**

PREVIOUS ACTION:

ISSUE SUMMARY:
The details regarding this agenda item are included under Agenda Item 3a.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
This agenda item is presented for possible recommendation to the Village Board after closed session discussion.

ATTACHMENTS:
None

VILLAGE OF McFarland

SUMMARY SHEET

MEETING DATE: **Wednesday, October 6, 2021**

SECTION: **Business**

DEPARTMENT: **Administration**

CONTACT: **Andrew Bremer, Comm & Eco Dev Director**

AGENDA ITEM: **Discussion and action regarding a revised Tax Increment Financing Development Incentive Application from Waubesa Village LLC (Ryan Quam) for 4902 & 4908 Terminal Drive as Waubesa Village Phase 4 located within Tax Inrement District #3.**

PREVIOUS ACTION:

ISSUE SUMMARY:
The details regarding this agenda item are included under Agenda Item 3a.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
This agenda item is presented for possible action by the Village Board following closed session discussion and an open session recommendation from the CDA.

ATTACHMENTS:
None