VILLAGE OF MCFARLAND **Community Development Authority** *NOTICE OF PUBLIC MEETING*

Wednesday, July 13, 2022 **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/81685659926

Or by Telephone: +1 (312) 626-6799
Webinar ID: 816 8565 9926
Press *9 to raise/lower hand. Press *6 to mute/unmute.

1. CALL TO ORDER, ROLL CALL.

2. PUBLIC APPEARANCES.

   a. This is an opportunity for members of the public to address the Community Development Authority. Please remember this is a virtual meeting conducted through the Zoom online meeting platform. Zoom meeting attendees wishing to address the Authority 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 Authority for their consideration. Members of the public who are present in person and wish to address the Authority 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 community.development@mcfarland.wi.us to be included as part of the meeting.

3. APPROVAL OF MINUTES.

   a. Motion to approve the minutes of the May 11, 2022 meeting.

   b. Motion to approve the minutes of the June 23, 2022 meeting.

4. BUSINESS.

   a. Discussion and possible recommendation to the Village Board regarding the Tax Incremental Financing Agreement for Phase II of the Atwater Development located at 4719 Farwell Street, Tax Increment District #5 .

   b. Discussion regarding possible amendments to the Village's Tax Increment Financing Development Incentives Policy Manual and Application.

   c. Discussion regarding the 2021 Annual Reports for Tax Increment Districts #3, #4, and #5.

   d. Discussion regarding East Side Neighborhood Plan update.

   e. Discussion on transition of the Village's meeting format effective August 1, 2022.

5. SCHEDULE NEXT MEETING DATE.
    a. Wednesday August 10, 2022 at 7:00 p.m.

6. ADJOURNMENT.

Any person who has a qualifying disability as defined by the Americans with Disabilities Act that requires the meeting or materials at the meeting to be in an accessible location or format should contact the McFarland Municipal Center at (608)838-3153, 5915 Milwaukee Street, McFarland, Wisconsin, or village.clerk@mcfarland.wi.us by 2:00 p.m. at least 5 business days prior to the meeting so that any necessary arrangements can be made to accommodate each request. If the meeting or request is less than 5 business days from the meeting, requests for accommodations may still be made and reasonable efforts will be made to accommodate each request.

Community Development Authority

Working Draft MINUTES

May 11, 2022

Members Present: Austen Conrad, Dan Kolk, Stephanie Brassington, Ken Brost, Jerry Dietzel, T.J. Jerke

Members Absent:

Staff Present: Andrew Bremer, Kongpheng Thao, Karen Knoll

1. CALL TO ORDER

Brassington called the meeting to order at 7:00 pm.

2. PUBLIC APPEARANCES

None

3. APPROVAL OF MINUTES

a. Review and possible approval of the Community Development Authority draft minutes from the April 6, 2022 meeting.

Brost moved to approve the April 6, 2022 Community Development Authority minutes. Kolk seconded the motion. Motion carried 6-0.

4. BUSINESS.

a. New Member Introductions
Brassington introduced Trustee T.J. Jerke to the committee.

b. Presentation and discussion regarding a Tax Increment Financing Development Incentives Application from Brett Riemen and Brian Spanos, Lakestone Holdings LLC, for Phase II of the Atwater Development located at 4719 Farwell Street, Tax Increment District #5.

Bremer reviewed the history of the development, and the request as submitted with members. Phase I was 47 residential units and 2 commercial units. Tonight is the review of the TIF incentive application, next Tuesday May 11, 2022 the Plan Commission is meeting and holding a public hearing on the request, the Village Board is meeting on Tuesday May 24, 2022. Bremer reviewed the proposed timeline of the project.

Brian Spanos and Brett Riemen of Lakestone Holdings LLC addressed CDA members. Spanos reviewed the history of the entire project, along with the proposed development, design, site plan and finishes with members. The building is approximately 12,000 sq.ft. which can be divided into 4 – 6 tenant spaces. Their goal is to have some of the space opened by late spring of 2023. They are looking to add potential mezzanines in a couple of the units. The renderings are changing slightly, it is an added cost to them, but they feel will provide a better product. Riemen indicated they are working on tenant mix to make sure they work well and balance one another at the site.

Spanos reviewed the TIF request and Performa, as included in packets, with CDA members. Spanos indicated they feel they may be a bit low, due to increased costs and future unknowns, and there is some risk on their side but are confident in moving forward. They are working with Sketchworks and Quam Engineering on this project. Bremer reviewed the form of financing on this request is a Pay Go Payment, and explained the process and financing as included in his report in packets.

Jerke inquired about the space that they currently do not have pending leases, is there any interest in any of those units. Spanos advised they do, but most want to see a building rather than plans. Riemen replied once the building is started and it's known there are signed leases, interest increases as those leasing commercial spaces often do so at least six months in advance and are many times not interested until the building is under construction due to prospective tenants concerns of whether a project is actually moving forward. Members discussed the businesses Lakestone is currently in negotiations with and their concerns, needs and possible issues which could arise. They also discussed the original concept when this development started in 2019, structural support, the "but for" specification with members. Bremer inquired on the rental market and where they are at in the community. Riemen reviewed their proposed rent schedules and discussed triple-net rents with members. Riemen reviewed what other commercial properties in McFarland and other communities are renting for and advised it is hard to get commercial to come to McFarland.

Bremer discussed how they are encouraging developers to use solar on their project, he understands it would be more complex on this project due to the multiple units, and roofline, he would like to see them look into solar for the project. In other developments, the CDA and the Village Board were willing to look into additional incentives as a cost share to encourage solar usage, would Lakestone be willing to consider it? Riemen advised due to where costs are at with a project they had not looked into solar, if there is some assistance from the Village, they could look into how solar would work on this project. It could be an incentive for tenants, as they pay their own electricity. They would be willing to talk to providers and look into it. Spanos said there could be some challenges due to the roofline of the building, but they would look into the possibility.

c. Discussion and possible recommendation to the Village Board to prepare a new Tax Increment District Project Plan for 5979 Siggelkow Road.

Bremer reviewed the history of this project, as included in packets, including how it is currently in the approval process with other committees. There is part of the property that will be dedicated as right of way to the Village, along with issues on the site such as private well and septic which is currently on the site. They would like to see those abandoned and the property connect to new private laterals connected to public utilities. Urso is working with neighboring owners to extend it through Juniper Ridge. There are also improvements proposed for the driveway and parking lot to improve accessibility and parking, and make it ADA compliant Bremer reviewed the changes they are looking to make inside the building to bring it back to more of its original state.

There is the potential to create a TIF district for solely this site. Bremer reviewed the types of TIF districts, which would be possible, there are not taking any approval action tonight but to see if the CDA is in favor of creating a TIF per the information as provide in packets. Members discussed options for the idea, if this has been done before, if it could create a precedent, the general overview of doing a single parcel TID. Brassington inquired of Bremer if he could put together a calculation showing the administrative costs. Bremer did not feel it would be too hard, as there are auditor statements he would be able to get information from, and he felt this one would be a lower cost TID. Bremer reviewed the costs in creating a TID with members along with the approval processes. Bremer indicated the Landmarks Commission met earlier today and issued a Certificate of Appropriateness for the project.

Brassington moved to recommend to the Village Board they prepare a new Tax Increment District Project Plan for 5979 Siggelkow Road. Motion seconded by Brost. Motion carried 6-0.

d. Discussion regarding East Side Neighborhood Plan update.

Bremer indicated the community survey is currently underway, it started approximately a week ago. While it is for the Eastside neighborhood update, it is intended to be Village wide as the results can be used for other projects throughout the Village. There was a cover article in the spring/summer Outlook to encourage people to complete the survey and there have been other means, both paper, social media, and local business to help promote the survey. It is available through May 29, 2022. The consultant is attending the May 17, 2022 Planning Commission meeting to discuss land boundaries. There is a joint meeting on Thursday June 23, 2022 at 7:00 p.m. with the CDA and Plan Commission with the consultants.

Brassington moved to move into closed session. Conrad seconded the motion. Motion carried 6-0 on a roll call vote, and moved into closed session at 8:20 p.m.

5. 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 of property and the investment of public funds regarding:

1) A Tax Increment Financing Development Incentives Application from Lakestone Holdings LLC, for Phase II of the Atwater Development located at 4719 Farwell Street, Tax Increment District #5.

2) Acquisition of property located at 5802 Main Street, 5804 Main Street, and 5307 Hough Street, Tax Increment District #4.

b. Discussion and action to reconvene in Open Session.

Brassington moved to reconvene in open session. Brost seconded the motion. Motion carried 6-0. Meeting reconvened into open session at 9:15 p.m.

6. BUSINESS

a. Discussion and possible action to make a recommendation to the Village Board regarding a Tax Increment Financing Development Incentives Application from Brett Riemen and Brian Spanos, Lakestone Holdings LLC, for Phase II of the Atwater Development located at 4719 Farwell Street, Tax Increment District #5.

Brassington moved to make a recommendation to the Village Board to accept a Tax Increment Financing Development Incentives Application from Brett Riemen and Brian Spanos, Lakestone Holdings LLC, for Phase II of the Atwater Development located at 4719 Farwell Street, Tax Increment District #5 as submitted. Motion was seconded by Jerke. Motion carried 6-0.

7. SCHEDULE NEXT MEETING DATE.

a. Wednesday June 8, 2022 at 7:00pm.

8. ADJOURNMENT.

Brost moved to adjourn. Kolk seconded the motion. Motion carried 6-0. Meeting adjourned at 9:18 p.m.

Working Draft – Community Development Authority & Plan Commission Minutes
June 23, 2022, at 7:00 P.M.

Plan Commission Members Present: Carolyn Clow, Chris St. Clair, Kathleen Pakes

Plan Commission Members Absent: Peter Bloechl-Anderson, Scott Peters, Tammy Olson, Chris Reynolds

CDA Members Present: Stephanie Brassington, TJ Jerke, Austen Conrad, Jerry Dietzel, Dan Kolk, Ken Brost

CDA Members Absent:

Staff Present: Andrew Bremer, Kong Thao

1. CALL TO ORDER

   Due to a lack of quorum, Clow dismissed the Plan Commission. Brassington called the CDA to order at 7:10 P.M.

2. PUBLIC APPEARANCES.

   None.

3. BUSINESS
   a. Discussion regarding East Side Neighborhood Plan update.

      Bremer started the discussion by introducing the project consultants from MSA who are in attendance, remotely, to go over the progress of the East Side Neighborhood Plan's economic development market analysis and the housing analysis. Bremer clarified the information collected and being presented are part of two on-going studies that will eventually be used to guide future development and policy changes within the Village. Bremer handed off the discussion to the attending team. From MSA, was Steve Tremlett, Kristen Fish-Peterson, and Becky Binz.

      Tremlett provided an overview of the data collected from the survey. Fish-Peterson continued the discussion covering demographic data and projection, employment, business mix and primary research (which includes interviews). Kolk commented on the decline in household income and its impact on housing inventory. Fish-Peterson highlights the responses from the survey on employment in the Village of

McFarland. Brost commented that the Village acts as an incubator for businesses to startup and begin until they outgrow their locations but often they have to leave McFarland to find bigger places. Continuing to the business mix, Fish-Peterson highlights the results from the survey for where residents spend their money. Brost commented that generally you can find on the retail services you might need except for the lack of car dealerships present in the Village. Dietzel commented on the lack of bike shops within the Village considering the community's support for biking. Fish-Peterson highlights the responses from the primary research (interviews) which includes the strengths and challenges in the Village. Brost commented one challenge is lack of lot sizes to accommodate businesses growing and expanding in the Village. Kolk comments on the proximity of McFarland to be a strength and a challenge. Bremer commented on the preferences for some of those amenities to be within the Village so residents would not have to leave. Further discussion included the topic on roads and transportation needs with access to the Hwy 12/18, Beltline, in future growth plans.

Binz continued the discussion on the Housing Market Analysis beginning with an overview on vacancy. Within the Village of McFarland, Binz highlights 70% Owner-occupied and 30% Renter-occupied. Jerke asked what an unhealthy split between owners and renters would be. Binz answered it is not clear cut and would vary on the character of the residents and the community. Binz discussed the rental market. Binz's data showed a healthy vacancy rate between 5-7%, McFarland's is at 0% (with a margin of error). This further supports the demand for housing development in the Village. Binz highlights an undersupply of housing units for households above 80% AMI, this is likely due to higher-income households withholding their option of homeownership over renting, competing with other lower income renters. Jerke commented on the 30% AMI as often too high and arbitrary to be considered affordable. Binz continued to address changing demographics experienced in the Village and throughout. Kolk commented that the greatest obstacle was commitment from developers to continue with growth and housing demand. Bremer adds to Kolk's comment with the price of land and cost of extended utilities.

Tremlett concluded the discussion with the announcement of the upcoming Public Input Forums on July 14th and 28th at 6:00 PM – 8:00 PM to gather more feedback.

4. SCHEDULE NEXT MEETING DATE.

    a. Community Development Authority – Wednesday, July 13, 2022, at 7:00 PM

    b. Public Involvement Meeting (PIM) #1 – East Side Plan Update – Thursday, July 14, 2022, 6:00-8:00 PM at Community Room

    c. Plan Commission – Tuesday, July 19, 2022, at 7:00 PM.

d. Public Involvement Meeting (PIM) #2 – East Side Plan Update – Thursday, July 28, 2022, 6:00-8:00 PM at Community Center

5. ADJOURNMENT.

Kolk motioned to adjourn, Conrad seconded the motion. Motion carried 5-0. Meeting adjourned at 8:54 p.m.

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SUMMARY SHEET

MEETING DATE: **Wednesday, July 13, 2022**

SECTION: **Business**

DEPARTMENT: **Community Development**

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

AGENDA ITEM: **Discussion and possible recommendation to the Village Board regarding the Tax Incremental Financing Agreement for Phase II of the Atwater Development located at 4719 Farwell Street, Tax Increment District #5 .**

PREVIOUS ACTION:

- July 22, 2019. Village Board approval of Ordinance 2019-13, rezoning the property from C-G Commercial General to Planned Development Infill District - General Plan Approved and Phase I Detailed Plan Approved.
- October 30, 2019. Village Board approval of a Real Estate Acquisition and Development Agreement for Phase I of the Atwater project.
- May 11, 2022. The CDA recommended approval of the Tax Increment Financing Development Incentives Application.
- May 17, 2022. The Plan Commission held a public hearing on the Atwater Phase II PDI-Detailed Plan.
- May 24, 2022. The Village Board motioned to approve a Tax Increment Financing Development Incentives Application from Lakestone Holdings LLC, for Phase II of the Atwater Development located at 4719 Farwell Street in the amount of $305,000 as a Developer Pay-Go Incentive with a minimum fair market assessment guarantee as of January 1, 2024 of $1,932,480, conditioned on final approval of a Development Agreement by the Village Board.

ISSUE SUMMARY:

Summary of Request

Lakestone Properties (Brett Riemen and Brian Spanos) have received preliminary approval of a Tax Increment Financing Development Incentives Application in the amount of $305,000 (Pay-Go) in support of the development of Atwater Phase II development at 4719 Farwell Street, subject to approval of a Development Agreement. The development project consists of the construction of an approximate 12,078 square foot multi-tenent commercial building. The building will consist of 4 to 6 businesses with targeted businesses consisting of food & drink, general retail, and medical. The total estimated construction budget for the project is $3,589,300, with an estimated assessment value of $1,932,480 upon project completion (January 1, 2024 assessment). The packet includes the following:

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1. Tax Increment Financing Agreement Between The Village of McFarland and Lakestone Holdings, LLC, as prepared by the Village Attorney. Note, the TIF incentive is provided via a Municipal Revenue Obligation (MRO), with payments subject to Village Board appropriation each year under the terms of the Agreement. The MRO does not count as part of the Village's debt capacity limit.
2. Exhibit A of the Agreement: Lakestones approved TIF Development Incentive Application and Plan Commission Application. The latter application includes the site plan drawings and renderings for the development project which the Village Plan Commission will consider for approval at their July 19, 2022 meeting.

Existing Property Conditions

The property consists of Lot 1 of CSM 15246 and is 1.210 acres in size with a 2021 fair market assessed value of $228,788. The lot is currently vacant as the prior commercial building was razed when the Atwater Phase 1 building was constructed on the adjacent Lot 2. Lot 2 of CSM 15246 consists of a mixed-use 3-story apartment building, Atwater Phase I (4721 Farwell Street). The Phase 1 property has a 2021 fair market assessed value of $4,651,299, which exceeds the minimum fair market value of $4,605,000 required under the existing development agreement with the Village. On July 22, 2019, the Village Board approved Ordinance 2019-13, rezoning Lot 1 and 2 of CSM 15246 from C-G Commercial General to Planned Development Infill District - General Plan Approved and Phase I Detailed Plan Approved. The Applicants are seeking approval of the Phase II Detailed Plan by the Plan Commission.

Tentative Project Schedule

Requests for TIF development incentives are reviewed and considered by the CDA and Village Board using a two-step process. The initial step is to review and provide preliminary approval of the TIF application regarding the general amount and terms of any TIF development incentives. If the initial application is approved, the Applicant proceeds to step two where the Village Attorney will draft a development agreement for review by the CDA and approval by the Village Board (final approval). The following outlines a tentative schedule for various permits/project approvals pending CDA/PC/VB review and approvals:

- May 11, CDA review and recommendation regarding the TIF Development Incentives Application
- May 17, Plan Commission public hearing on the Phase II Detailed Plan
- May 24, Village Board action on the TIF Development Incentives Application
- June 21, Plan Commission action on the Phase II Detailed Plan (postponed)
- July 13, CDA review and recommendation regarding the TIF Development Agreement
- July 19, Plan Commission action on the Phase II Detailed Plan
- July 26, Village Board action on the TIF Development Agreement
- August, obtain building permits
- August or September, commencement of building construction
- May 2023, completion of building construction

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FINANCIAL/BUDGET IMPACT:
The packet includes the C&ED Director's review of the development incentives application to the Village's TIF Development Incentives Policy Manual. All of the policy manual criteria appear to be met. In regards to addressing the "but for" requirements for TIF incentives, the Applicant has indicated the need for TIF assistance to overcome higher site and building construction costs, bank financing limitations, and expected market rents. In addition, the Applicant has identified $3,589,300 in total project costs, 75% of which will be financed through a commercial loan of $2,691,975, 16.5% through developer equity of $592,325, leaving a TIF Gap of $305,000 (8.5% of the Total Project Costs). Village Staff also retained the services of Attorney Daniel Lipman to complete a confidential financial background review of the developer which concluded that the developer appears to have both reasonable financial resources and real estate experience to successfully complete the proposed development.

The packet includes a TIF proforma for the project (Atwater Phase II TIF Proforma_5.5.2022) which includes the following assumptions:

- A $305,000 TIF incentive payable through a Developer Pay Go Payment. This is the least riskiest form of incentives for the Village as there are no upfront costs to the Village.
- A minimum of $1,932,480 fair market assessment guarantee upon completion (1.1.2024 assessment). Note, given the project's anticipated August-September construction schedule, the proforma assumes a partial increase in the assessment as of 1.1.2023, with the majority of the value increase occurring in 2023, 1.1.2024 assessment.
- No property value inflation or deflation over the life of the TID.
- No increases or decreases in tax rate over the life of the TID.
- Based on these assumptions the Phase II project would generate $689,029 in tax increment over the life of the TID.
- The TID payments (Column L), assume returning 90% of the tax increment collected starting in year 2024 and continuing until year 2035, or until the requested amount of TIF incentives of $305,000 is met. Under this scenario, the payment period for the TIF incentive is 12 years; however, this could be more or less depending on the actual annual assessment and tax rate.

The packet includes a second TIF proforma (McFarland TID 5 Proforma_Atwater Phase II_6.28.2022) which includes the actual expenditures and revenues for TID #5 since inception with the addition of the $305,000 pay-go developer incentive for Phase II. Expenditures and revenues for year 2021 are unaudited. Year 2020 was the first year the TID was eligible to collect increment and increment payments have accelerated in recent years, including a 2022 collection of $201,753, due to redevelopment activities in the TID, including but not limited to Atwater Phase 1. While the TID fund balance is projected to continue in the red through year 2029, annual cash flow projections for the TID are projecting in a positive direction. Assuming no other capital expenditures, which is unlikely given the number of years left in the TID and the desire to complete more redevelopment projects, the TID is currently projected to have a surplus of $2.5M when it closes in year 2045.

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The packet includes a final TIF proforma (Atwater Phase I & II TIF Proforma_5.5.2022) which includes the TID's overall contribution to the redevelopment of the mixed-use Atwater Phase 1 (4721 Farwell) and Phase II (4719 Farwell) development, including the Village's original land acquisition debt service costs. The total estimated TID investment in the property is $1.93M, or approximately 18.8% of the estimated $10.3M in total construction costs for Phase 1 & II. Based on the assumptions, Phase I & II are anticipated to increase the value of the property by over $5.85M, generate an estimated $2.56M of tax increment over the life of the TID, with an estimated net increment of $630K.

VILLAGE PLAN REFERENCE:

2020 Strategic Plan

Goal C: Promote responsible growth, increase economic development, and retain existing businesses.

2017 TIF District #5 Project Plan

The property is identified as a potential mixed-use redevelopment site within the TID Project Plan.

2017 Comprehensive Plan

The property is identified as Mixed Use/Flex Commercial on the Future Land Use Map of the Village's Comprehensive Plan. Figure 4.1 provides a General Description of Land Uses allowed including *"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. Figure 4.1 also describes Typical Implementing Zoning Districts to include the PD or PD-I districts. Page 58 of Volume II, notes that McFarland is particularly interested in attracting and retaining the following types of businesses: *A wider variety of retailers, restaurants, and services, including one or more coffee shops, bakeries, delis, cafes, brewpubs, wine and cheese shops, specialty grocery, jewelry, clothing/shoes, specialty retail/gifts, toys, health care/wellness, dry cleaners, florists, galleries (art/book store), family-oriented entertainment, and lesson space (sports/dance/music).*

The project also supports the following plan policies, objectives, and initiatives:

- Actively promoting infill development and redevelopment where opportunities present themselves, particularly for underutilized properties along Terminal and Triangle Drive, Highway 51, Farwell Street, and the downtown area.
- Encourage employment, retail, service, and recreational uses in areas that conveniently serve Village neighborhoods and the greater McFarland community that includes Dunn and the Madison subdivisions that border the Village.
- Proactively work to retain and grow existing businesses.
- Expand the local tax base and good paying jobs through business park development and

redevelopment.

- Continued private reinvestment in the downtown and Farwell Street areas. This is further illustrated on Map 7, McFarland's "Main Street" Vision.

ORDINANCE REFERENCE:

Sec. 62-66, PD-I Planned Development Infill District
Sec. 62-67, PD Planned Development District
Sec. 62-310, Site/Design Review
TID #5 Design Guidelines

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

Motion to recommend approval of the Tax Incremental Financing Agreement for Phase II of the Atwater Development located at 4719 Farwell Street, Tax Increment District #5.

ATTACHMENTS:

1. 4719 Farwell Street_Lakestone Phase II Development Agreement_07.07.2022
2. 4719 Farwell_Atwater Phase II_TIF App_04.11.22
3. 4719 Farwell Street_Atwater Phase II PD-I Detailed Plan_04.05.22 (rev. 07.06.22)
4. 4719 Farwell_Atwater Phase II_TIF Policy Evaluation_05.05.2022
5. Atwater Phase II TIF Proforma_5.5.2022
6. McFarland TID 5 Proforma_Atwater Phase II_6.28.2022
7. Atwater Phase I and II TIF Proforma_5.5.2022

TAX INCREMENTAL FINANCING AGREEMENT
Between
The Village of McFarland
And
Lakestone Holdings, LLC

This Agreement is entered into effective the ____ day of July, 2022, by and between the Village of McFarland, a Wisconsin municipal corporation (the "Village") and Lakestone Holdings, LLC, a Wisconsin limited liability company ("Lakestone").

WHEREAS, Lakestone is the owner of property in the Village located at 4719 Farwell Street which is legally described as Lot 1, Certified Survey Map No. 15246 recorded in the office of the Register of Deeds for Dane County in Vol. 108 of Certified Survey Maps, Pages 272-274 as Document No. 5528819 (the "Property") which it intends to redevelop by constructing a new 12,078 ft^2 multi-tenant commercial building; and

WHEREAS, the Property is located within the boundaries of Tax Incremental District No. 5, Village of McFarland ("TID #5"), which was created to encourage redevelopment within the Village; and

WHEREAS, the Property was identified as Mixed-Use/Flex Commercial in the Village's Comprehensive Plan (Master Plan), adopted August 28, 2017 and was also identified as a redevelopment site in the TID #5 Project Plan adopted December 11, 2017; and

WHEREAS, Lakestone has requested, and the Village has agreed to provide Tax Incremental Financing ("TIF") assistance in exchange for Lakestone meeting certain development and valuation requirements as set forth in this Agreement;

NOW, THEREFORE, for and in consideration of the covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the undersigned agree as follows:

ARTICLE I
LAKESTONE OBLIGATIONS

A. Required Construction. Lakestone shall construct, or cause to be constructed, on the Property, a new approximately 12,078 ft^2 multi-tenant commercial building, along with related site improvements. All improvements shall be completed in accordance with all approved building plans, site plans and other applicable governmental approvals and regulations and in substantial conformity to the representations in Lakestone's application attached hereto as **Exhibit A**. The improvements shall be substantially completed on or before May 31, 2023.

B. Guarantee of Tax Increment.

(1) *Required Value*. Lakestone and Holdings shall assure that the Project Site shall have a taxable fair market value as of January 1, 2024, as determined under Wis.

Stats. §70.32(1), of not less than One Million Nine Hundred Thirty-two Thousand Dollars ($1,932,000.00), including land and building values (the "Guaranteed Value"), and that such valuation will be achieved on or before the January 1, 2024 assessment date (the "Valuation Date"). Time is of the essence with regard to the achievement of the Guaranteed Value.

(2) *Payment of Tax Deficiency*. Lakestone shall maintain the fair market value of the Property at or above the Guaranteed Value for each year after the Valuation Date during the remaining life of TID No. 5. For any year in which the fair market value of the Property falls below the Guaranteed Value on the applicable assessment date, Lakestone shall pay to Village a sum ("Deficiency Payment") which is the difference between the general property taxes, if any, actually generated by the Property in that year and the amount of general property taxes that would have been generated by the Property if the Guaranteed Value had been achieved. For avoidance of doubt, the Deficiency Payment required by this subsection, when added to the real property taxes actually received by the Village in a given year, shall equal the real property taxes the Village would have received if the Guaranteed Value had been maintained. Deficiency Payments shall be calculated in each year for which the taxable fair market value is less than the Guaranteed Value, and shall be payable on or before January 31 next following the year in which the valuation shortfall occurred, with credit against such Deficiency Payments given for any amounts previously paid in real property taxes in excess of the minimum required and not previously credited against prior Deficiency Payments. Deficiency Payments will be refunded to Lakestone to the extent future payments of general property taxes exceed the minimum required (and are not credited against Deficiency Payments) provided, however, that no such refund shall be given after the expiration of the TIF expenditure period for TID #5 as specified in §66.1105(6)(am)1 of the Wisconsin Statutes, unless such additional refunds would qualify as project costs under the Tax Increment Law and be payable with tax increments.

(3) *Personal Guaranty*. The parties acknowledge that the Village is relying on the professional ability and personal investment of Lakestone and Lakestone's principals, Brian Spanos and Brett Riemen in entering into this Agreement and that such personal involvement is part of the consideration for this Agreement. Brian Spanos and Brett Riemen (the "Guarantors") agree to guaranty to the Village the prompt payment and performance of all obligations of Lakestone under this Agreement. Concurrently with the execution of this Agreement, the Guarantors shall fully execute and provide to the Village documentation of such guarantees in the form attached hereto as **Exhibit B.**

C. <u>Insurance</u>. Lakestone shall keep the Property, including all structures thereon, adequately insured against loss or damage occasioned by fire, extended coverage perils (to specifically include coverage for hazards as the Village may reasonably require, consistent with prevailing practice for similar industrial buildings in Wisconsin) for the remaining term of TID #5. If any improvements constructed on the Property are substantially damaged or destroyed by fire, wind, storm or any other casualty during the term of TID #5, Lakestone shall promptly rebuild or repair the same to maintain the assessed value of the improvements for real estate tax purposes as most recently determined prior to the damage or destruction. Lakestone shall provide the Village with a certificate of insurance from its insurance carrier evidencing the required coverage not later than thirty (30) days after the initial effective date thereof and upon each renewal.

D. Indemnification. Lakestone and its successors and assigns shall indemnify, save harmless and defend the Village and its officers, agents, attorneys, consultants and employees of and from any and all liability as well as from lawsuits, actions, claims, demands, losses, costs, damages and expenses of every kind and description, including attorneys costs and fees, for claims of any character including liability and expenses in connection with the loss of life, personal injury or damage to property or any of them because of injuries or damages received or sustained by any persons or property on account of or arising out of the approval or construction of the Project occasioned wholly or in partly from any act or omission on Lakestone's part or on the part of Lakestone's agents, contractors, subcontractors, invitees or employees, at any time.

ARTICLE II
TAX INCREMENTAL FINANCING

A. Tax Incremental Financing. Provided that Lakestone has strictly complied with the requirements of Article I, and subject to Section B of this Article, the Village shall provide tax incremental financing in the form of a development incentive grant to defray a portion of the site development and business start-up costs incurred by Lakestone in the amount of Three Hundred Five Thousand Dollars ($305,000). The grant shall be disbursed pursuant to the terms of a Municipal Revenue Obligation as provided in this Article and in substantially the form of **Exhibit C**.

B. Value Covenant. Prior to the issuance of the Municipal Revenue Obligation, Lakestone shall provide to the Village a covenant, in recordable form approved by the Village Attorney, under which Lakestone agrees that so long as the Municipal Revenue Obligation remains outstanding, Lakestone, for itself, its successors and assigns as owners of the Property, agrees that it shall:

(1) Not sell, transfer or convey any lands within the Property to any party who, or whose intended use, would render such property exempt from property taxation without first obtaining the consent of the Village to such transfer.

(2) Pay all real estate and personal property taxes levied in connection with the Property owned by it prior to delinquency.

(3) Not cause a reduction in the real property taxes paid with respect to that portion of the Property owned by it through willful destruction of any improvements or portions thereof.

(4) Not apply for any deferral of real property taxes on any of the Property owned by it.

(5) Make Deficiency Payments in lieu of taxes to the extent required by Section I.B.(2).

C Terms of Municipal Revenue Obligation. The Municipal Revenue Obligation to be provided pursuant to Section II.A shall be subject to the following terms and conditions:

(1) *Source of Funds*. Principal payments on the Municipal Revenue Obligation shall be made annually on each "Payment Date" (as defined below) in an amount of the lesser of (i) 90% of the tax increment (as defined in the Tax Increment Law) attributable to the Property received by the Village during the year in which the payment is due (said 90% hereinafter referred to as the "Available Tax Increment") or (ii) the unpaid principal balance of remaining on the Municipal Revenue Obligation. For avoidance of doubt, 10% of the tax increment generated from the Property each tax year, and 100% of the tax increment generated from other parcels within TID #5, shall not be subject to this Agreement and may be used by the Village for any purpose allowed under the Tax Increment Law in its sole discretion.

(2) *Interest*. The interest rate on the Municipal Revenue Obligation shall be 0%.

(3) *Termination*. The Village's obligation to make payments under the Municipal Revenue Obligation shall terminate upon (i) termination of this Agreement in accordance with the terms hereof or as allowed by applicable law, (ii) termination of TID #5 as provided by Wis. Stats. §66.1105(7)(am)3, or (iii) payment of the full principal balance payable under the Municipal Revenue Obligation as provided in this section with or without early termination and closure of TID #5 at the discretion of the Village, whichever occurs earliest. The Village retains the right, in its sole discretion, to terminate and close the TID #5 early; however, the Village shall not terminate and close TID #5 early unless the Village's obligations to make payments under the Municipal Revenue Obligation have been satisfied.

(4) *Project Costs*. The Municipal Revenue Obligation shall be a project cost of TID #5. For avoidance of doubt, in no case shall the term of the Municipal Revenue Obligation, or the Village's obligation to make payments thereunder, extend beyond the final payment date on which the Village may lawfully make payment on the Municipal Revenue Obligation as project costs under Section 66.1105 of the Wisconsin Statutes. After the termination of the Village's obligations under par. (3) the Village shall have no obligation and incur no liability to make any payments thereunder or hereunder regardless of the amount previously paid.

(5) *Suspension of Payments*. The Village shall have no obligation to make payment on the Municipal Revenue Obligation in any year in which Lakestone is in default of the terms of this Agreement on the Payment Date. The Village shall have no obligation to make payments on the Municipal Revenue Obligation in any year if there exists any delinquency in payment of real or personal property taxes with respect to the Property.

(5) *Payment Dates*. For purposes of this Agreement and the Municipal Revenue Obligation, a "Payment Date" shall mean September 1 of each year commencing with the year following the issuance of the Municipal Revenue Obligation. Notwithstanding anything to the contrary in this Agreement or the Municipal Revenue Obligation, the Village's obligation to make payments to Lakestone hereunder shall be contingent upon and subject to annual appropriation for such payment by the Village Board.

(6) *Conditions on Payment Obligations*. Once issued, the Municipal Revenue Obligation is intended to help provide improvements to the Property owned and operated by Lakestone and is payable only from the Available Tax Increment herein defined. To the extent that on any Payment Date the Village has not received Available Tax Increment for the prior tax year, the Village shall not be required to make a payment to Lakestone for that year; the Village's nonpayment to Lakestone shall not constitute a default under this Agreement or the Municipal Revenue Obligation; and the Village shall have no obligation under this Agreement or the Municipal Revenue Obligation to subsequently pay the deficiency to Lakestone. Notwithstanding the preceding sentence, if the Village did not receive the Available Tax Increment for any year because of the failure of Dane County to timely remit the proper amount of the tax increment to the Village, the Village shall pay the deficiency to Lakestone promptly upon remittance by Dane County.

(7) *Limited Revenue Obligation*. The Municipal Revenue Obligation shall not be payable from or constitute a charge upon any funds of the Village, and the Village shall not be subject to any liability thereon or be deemed to have obligated itself to pay thereon from any funds except the Available Tax Increment described in this Agreement, and then only to the extent and in the manner herein specified. The Municipal Revenue Obligation is a special, limited revenue obligation and not a general obligation of the Village and is payable by the Village only from the source and subject to the qualifications stated or referenced herein. Neither the full faith and credit nor the taxing powers of the Village are pledged to the payment of the principal of the Municipal Revenue Obligation and no property or other asset of the Village, except the above-referenced revenues, is or shall be a source of payment of the Village's obligations hereunder and thereunder.

(8) *Negotiation and Transfer*. The Municipal Revenue Obligation is nonnegotiable and are nontransferable without the written approval of the Village.

(9) *Prepayment Option*. The Village may prepay all or any part of its obligations under the Municipal Revenue Obligation at any time without penalty or premium.

ARTICLE III
TIF LAW COMPLIANCE

A. Use of Funds. Lakestone shall use the funds received in payment of the Municipal Revenue Obligation solely to pay for, or to reimburse itself for, payments made for development and marketing of the Property. In no event shall Lakestone use any funds received in payment of any Municipal Revenue Obligation to pay any portion of its general property taxes on the Property or any other property, or any portion thereof, or any personal property thereon, or to reimburse itself for any such taxes paid.

ARTICLE IV
GENERAL PROVISIONS

A. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and no modification shall be binding unless in writing and signed by all parties. The terms of this Agreement shall supersede any conflicting provisions of the Purchase Agreement.

B. No Waiver by Delay. Either party shall have a right to institute such actions or proceedings as it may deem desirable for effectuating the purposes of this Agreement. Any delay by either party in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under this Agreement shall not operate as a waiver of such rights or deprive it of or limit such rights in any way (it being the intent of this provision that neither party shall feel compelled to institute legal action so as to avoid the risk of being deprived of or limited in the exercise of the remedy provided in this section because of waiver, laches, or otherwise at a time when it may still hope otherwise to resolve the problems created by the default informally); nor shall any waiver made by a party with respect to any specific default by the other party under this section be considered or treated as the waiver of the rights of the non-defaulting party with respect to any other defaults by the defaulting party under this section or with respect to the particular default except to the extent specifically waived in writing.

C. Severability. Except as otherwise provided in the succeeding sentence, every term and provision of this Agreement is intended to be severable, and if any term or provision of this Agreement is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of this Agreement. The preceding sentence shall be of no force or effect if the consequence of enforcing the remainder of this Agreement without such illegal or invalid term or provision would be to cause any party to lose the benefit of its economic bargain.

D. Headings. Headings of sections are for convenience of reference only, and shall not be construed as a part of this Agreement.

E. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefits of the parties hereto, and their respective successors, and assigns. Neither party may assign this Agreement without the prior written consent of the other party.

F. Governing Law and Venue. This Agreement shall be governed by and construed, in all respects, by the internal laws of the State of Wisconsin.

G. Counterparts/Facsimile/Electronic Transmission. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one instrument and the signature of any party to any counterpart shall be deemed the signature to and may be appended to any other counterpart. Signatures transmitted by facsimile or electronic transmission shall be deemed to be original signatures.

H. Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to be an adequate and sufficient notice if given in writing and delivery is made either by (i) personal delivery, in which case the notice shall be deemed received the date of such personal delivery or refusal of receipt, (ii) nationally recognized overnight air courier service, next day delivery, prepaid, in which case the notice shall be deemed to have been received one (1) business day following delivery to such nationally recognized overnight air courier service or refusal of receipt, or (iii), email, provided that delivery thereof is acknowledged by the receiving party. Notice shall be sent to the following addresses and/or email addresses, as applicable:

IF TO LAKESTONE:

Lakestone Holdings, LLC
Attn: Brian Spanos
5910 Main Street, Suite 1
McFarland, WI 53558-8946
Email: brian@thespanoscompany.com

with copies to:

Reinhart Boerner Van Deuren s.c.
22 East Mifflin Street, Suite 700
Madison, WI 53703
Attn: Nathan J. Wautier
Email: nwautier@reinhartlaw.com

IF TO THE VILLAGE:

Village of McFarland
5915 Milwaukee Street
McFarland, WI 53558
Attn: Village Administrator
Email: Matt.Schuenke@mcfarland.wi.us

with copies to:

Reuter, Whitish and Evans, S.C.
44 East Mifflin St., Suite 306
Madison, WI 53703
Attn: Allen D. Reuter
Email: areuter@rwelaw.net

or to such additional or other persons, at such other address or addresses as may be designated by notice from Lakestone or the Village, as the case may be, to the other party. Any notice to be delivered pursuant to this Agreement may be delivered by either Lakestone or its counsel or the Village or its counsel and the delivery of notice by counsel instead of the applicable Lakestone or the Village is expressly permitted and agreed to by the parties to this Agreement and each party's counsel shall be deemed a permitted and authorized agent of such party for purposes of delivering notices until the time that the Lakestone or the Village notifies the other party in writing that their counsel does not have authority to deliver notices of this Agreement on its behalf, respectively.

I. Construction. This Agreement shall not be construed more strictly for or against either party merely by virtue of the fact that the same has been prepared by that party or its counsel, it being recognized both of the parties hereto have contributed substantially and materially to the preparation of this Agreement. All words herein which are expressed in the neuter gender shall be deemed to include the masculine, feminine and neuter genders and any word herein which is expressed in the singular or plural shall be deemed, whenever appropriate in the context, to include the plural and the singular.

J. Recording. Either party may record this Agreement or a memorandum providing reasonable notice of the existence of this Agreement.

K. Developer Independence. This Agreement is not intended to create any partnership or joint venture between the parties hereto, or render any party liable for any of the debts or obligations of any other party.

L. Development Approvals. Except as provided by law, or as expressly provided in this Agreement, no vested rights shall inure to the Developer by virtue of this Agreement. Nor does the Village warrant that the Developer is entitled to any other approvals required for private development solely or partially as a result of this Agreement.

M. Immunities Preserved. Nothing contained in this Agreement constitutes a waiver of the Village's sovereign immunity or police powers under applicable law.

N. Jurisdiction and Venue. Personal jurisdiction and venue for any civil action commenced by any party arising out of this Agreement shall be deemed to be proper only if such action is commenced in circuit court for Dane County unless such court lacks jurisdiction. The Developer hereby consents to personal jurisdiction in Dane County. The Developer also expressly waives the right to bring such action in, or to remove such action to, any other court whether state or federal, unless the circuit court for Dane County lacks jurisdiction.

O. Termination. This Agreement shall continue in effect until the termination of TID #5 unless earlier terminated by mutual agreement of the parties, except that the indemnification provisions contained in Section I.D. shall continue in effect as to any liability based on facts or circumstances arising prior to termination.

In witness whereof, the parties have executed this Agreement on the date first written above.

LAKESTONE HOLDINGS, LLC	**VILLAGE OF McFARLAND**
By:____________________________ Brian Spanos, Member	By:____________________________ Carolyn A. Clow, Village President
By:____________________________ Brett Riemen, Member	By:____________________________ Cassandra Suettinger, Clerk/Treasurer

EXHIBIT A

DEVELOPMENT PROPOSAL
(To be Inserted - Tax Increment Finance Developer Incentives Application & Planned Development Infill District Detailed Plan for Phase II)

EXHIBIT B
UNLIMITED GUARANTY AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged by each of the undersigned, and to enable Lakestone Holdings, LLC**,** a Wisconsin limited liability company ("Debtor") to obtain tax incremental financing (TIF) from the Village of McFarland, a Wisconsin municipal corporation (the "Village") in the amount of $305,000 as provided for in a Development Agreement by and between the Village of McFarland ("Village") and Debtor ("Developer") dated ____________________**,** 2022 (the "Agreement") the undersigned, individually as well as jointly and severally, hereby unconditionally and irrevocably guarantee the full and prompt payment to the Village of any and all indebtedness, liabilities, payments and obligations of every nature and kind of Debtor to the Village arising under the Agreement, which may hereafter be owing or due thereunder and the undersigned also agrees to pay in addition thereto, all costs, expenses and reasonable attorneys' fees at any time paid or incurred by the Village in endeavoring to collect said indebtedness, liabilities and obligations, and in and about enforcing this instrument (collectively, the "Indebtedness").

The undersigned warrant to the Village that each of them is presently able to pay personal debts as they become due and that the making of this Guaranty or the payment of any debt encompassed by this Guaranty shall not cause the undersigned to become insolvent or impair any ability to pay any debt which each of them have incurred, intends to incur or reasonably believe will incur as it becomes due. The undersigned agree that their liability under this Guaranty shall not be extinguished unless and until both (a) all of the Indebtedness hereby guaranteed has been paid in full by actual payment, and (b) the preference period applicable to the payment of such indebtedness has expired without any bankruptcy or fraudulent transfer proceeding being brought by or against any of the undersigned or Debtor, and no collateral given for this Guaranty shall be required to be released until both of such conditions have been met. If the Village is required to refund any payments as a result of any insolvency, bankruptcy or fraudulent transfer proceeding, the undersigned's obligations evidenced by this Guaranty shall continue in effect and the undersigned shall be obligated to repay the Village for any such payment so voided or nullified.

The undersigned each agree that his liability hereunder shall in no way be affected or impaired, nor shall it be discharged, in whole or in part, by any of the following occurrence:

(1) the death, incompetency, insolvency, bankruptcy, liquidation, dissolution or withdrawal of Debtor or of any guarantor; or (2) any extension of the time of the payment of any Indebtedness; or (3) acceptance by the Village of part payment of any amount due; or (4) full or partial release or substitution by the Village of Debtor or of any other guarantor; or (5) release by the Village of any guarantors and/or the acceptance of additional guarantors; or (6) unenforceability of any document or instrument executed by the Village or the Debtor. The liability of the Guarantors hereunder shall be a continuing liability and shall not be affected by (nor shall anything herein contained be deemed to be a limitation upon) the amount of credit which may be extended to Debtor, the number of transactions with Debtor, repayments by Debtor to the Village, or the

allocation by the Village of repayments by Debtor, it being the understanding of the Guarantors that their liability shall continue hereunder so long as there are any unsatisfied obligations from Debtor to the Village pursuant to the Agreement or any amendment thereof. The discharge of Debtor's obligations to repay any Indebtedness, which discharge is a result of any bankruptcy proceeding filed by or against Debtor, shall not diminish, release or impair the obligations of the undersigned under this Guaranty Agreement.

This Guaranty is a guaranty of payment and performance and not of collectability. It is expressly agreed by the undersigned that it shall not be necessary for the Village to proceed first against the Debtor (or to liquidate or foreclose upon any collateral) before proceeding to enforce this guaranty or as a condition to payment or performance by Guarantors hereon.

The undersigned agree that all indebtedness, liability or liabilities now or at any time or times hereafter owing by Debtor, other than obligations incurred in the ordinary course of Debtor's business, to either of the undersigned are hereby subordinated to the obligations guaranteed hereunder, and any payment of indebtedness of the Debtor to any of the undersigned, if the Village so requests, at any time an event of default shall exist and be continuing under the terms of the Agreement, shall be received by the undersigned as trustee for the Village on account of the obligations guaranteed hereunder. In the event a right of action and claim has arisen under this Loan Guaranty Agreement, in case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any of the undersigned or the property of any of the undersigned, the Village shall be entitled and empowered, by intervention in such proceedings or otherwise: (a) to file and prove a claim for the whole amount of the Indebtedness guaranteed and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Village (including any claim for the reasonable compensation, expenses, disbursements and advances of the Village and the Village's agents and counsel) allowed in such judicial proceeding; and (b) to collect and receive any monies or other property payable or deliverable on any such claims.

The undersigned waive demand, notice of dishonor, presentment for payment, diligence in collection, acceptance of this guaranty and notice of any adverse change in the financial condition of Debtor or any guarantor or of any other fact that might materially increase the risk of the guarantor hereon. This guaranty shall be binding upon the undersigned and upon their heirs, legal representatives, successors and assigns, and shall inure to the benefit of the Village, its successors and assigns. The validity and construction of this guaranty shall be governed by the laws of the State of Wisconsin. If any provision of this Guaranty shall be declared invalid, unenforceable, or illegal, that part will not affect the validity, enforceability or legality of any other provision contained herein.

This Guaranty constitutes a separate and independent contract with and obligation to the Village, and the undersigned recognize and intend that this Guaranty be a separate source of repayment of the Indebtedness hereby guaranteed. Therefore, to induce the Village to make the provide TIF assistance to the Debtor and with the knowledge and intention that the Village rely upon these presents in so doing, the undersigned agrees that recourse may be obtained against the undersigned for the repayment of all or any outstanding portion of said indebtedness prior to, concurrently with or after any action, proceeding, settlement or other means by which the Village may from time to time elect to recover said indebtedness. In particular, this Guaranty shall survive as an independent contractual obligation any action or event which relieves Debtor from further liability, the undersigned hereby recognizing and agreeing that their liability hereunder is not conditioned in any manner upon the existence of such liability of Debtor, and for such purposes the undersigned, while not waiving their rights of subrogation as such, hereby waives any defense to their obligations hereunder which is based upon the impairment of their ability to obtain any redress against Debtor through indemnification, subrogation, reimbursement, contribution or otherwise including, without limitation, any defense that such subrogation or similar rights were abrogated by any acts or omissions of the Village (excepting only such defenses which assert that the Village intentionally abrogated the undersigned's subrogation or similar rights for no legitimate purpose other than to deprive the undersigned of such rights; it being understood and agreed that abrogation of such rights of the undersigned solely as a result of the operation of law resulting from the Village's legitimate actions may not be the subject of any such defense). Upon payment in full of the obligations of Debtor to the Village guaranteed hereunder, the Village shall, upon the request of the undersigned, assign to the undersigned all of its rights against Debtor and all evidence of such rights.

Guarantors acknowledge that they are owners of the Debtor, and as a result thereof, Guarantors will benefit from the TIF assistance provided under the Agreement, and full and adequate consideration has been received by Guarantors in exchange for this Guaranty Agreement.

With respect to the undersigned Wisconsin married residents, each of the undersigned represent that this obligation is incurred in the interest of his marriage or family.

Executed and delivered at McFarland, Wisconsin, this ____ day of _________________2022.

GUARANTORS:

____
Brian Spanos

____
Brett Riemen

EXHIBIT C
MUNICIPAL REVENUE OBLIGATION

VILLAGE OF MCFARLAND
TAX INCREMENT DISTRICT NO. 5

THIS TAX INCREMENT MUNICIPAL REVENUE OBLIGATION (the "Municipal Revenue Obligation") is issued this ___ day of ____________________, 2024 by the Village of McFarland, a Wisconsin municipal corporation located in Dane County, Wisconsin (the "Village") to Lakestone Holdings, LLC, a Wisconsin limited liability company, its successors and assigns ("Developer").

W I T N E S S E T H

A. The Village and Developer have entered into a development agreement dated July ___ 2022 (the "Development Agreement").

B. The Municipal Revenue Obligation is issued by the Village pursuant to the Development Agreement.

C. Terms that are capitalized in this Municipal Revenue Obligation that are not defined in this Municipal Revenue Obligation and that are defined in the Development Agreement shall have the meanings assigned to such terms by the Development Agreement.

A G R E E M E N T

1. General. The Village hereby promises to pay to Developer, subject to annual appropriations and all of the other terms and conditions of this Municipal Revenue Obligation, the principal amount of Three Hundred Five Thousand Dollars ($305,000.00), in payments described in Section 3, below.

2. Interest. No interest shall be payable on this Municipal Revenue Obligation.

3. Payments. Payments of principal shall be due in annual installments in the amount of the Available Tax Increment (as defined in the Development Agreement) received by the Village for taxes levied in the prior year. Payments shall be made beginning on September 1 2025 and continuing on each September 1 thereafter until the Expiration Date. As used in this Municipal Revenue Obligation, the term "Expiration Date" means the earlier of:

(a) the statutory end of TID #5; or
(b) the date on which all principal due hereunder has been paid in full; or
(c) The early termination of TID #5 as permitted under the Development Agreement;
(d) Termination of this Municipal Revenue Obligation as provided in the Development Agreement; or
(e) Termination of the Development Agreement as a result of a default by Developer thereunder.

Each September 1 payment date described in this Section 3 is referred to as a "Payment Date" (collectively the "Payment Dates"). Prepayment of the amounts evidenced by this Municipal Revenue Obligation may be made in full or in part at any time without penalty. After the Expiration Date, the Village shall have no further obligation to make any payments whatsoever on this Municipal Revenue Obligation.

4. Nature of Obligation. The principal payments to be made on the Payment Dates shall be payable solely from the Available Tax Increment (as defined in the Development Agreement) (a) accrued during the calendar year or years preceding the applicable Payment Date, and (b) actually received by the Village by such Payment Date. The Municipal Revenue Obligation shall be a special and limited obligation of the Village and not a general obligation. On each Payment Date, the Village shall apply appropriated Available Tax Increment received from the Property for the previous year's taxes to payments due under this Municipal Revenue Obligation.

THIS MUNICIPAL REVENUE OBLIGATION SHALL NOT BE PAYABLE FROM OR CONSTITUTE A CHARGE UPON ANY FUNDS OF THE VILLAGE, AND THE VILLAGE SHALL NOT BE SUBJECT TO ANY LIABILITY HEREON OR BE DEEMED TO HAVE OBLIGATED ITSELF TO PAY HEREON FROM ANY FUNDS, EXCEPT THE AVAILABLE TAX INCREMENT, AND THEN ONLY TO THE EXTENT AND IN THE MANNER HEREIN SPECIFIED.

THE MUNICIPAL REVENUE OBLIGATION IS A SPECIAL, LIMITED REVENUE OBLIGATION AND NOT A GENERAL OBLIGATION OF THE VILLAGE AND IS PAYABLE BY THE VILLAGE ONLY FROM THE SOURCE AND SUBJECT TO THE QUALIFICATIONS STATED OR REFERENCED HEREIN. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWERS OF THE VILLAGE ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE MUNICIPAL REVENUE OBLIGATION AND NO PROPERTY OR OTHER ASSET OF THE VILLAGE, EXCEPT THE ABOVE-REFERENCED REVENUES, IS OR SHALL BE A SOURCE OF PAYMENT OF THE VILLAGE'S OBLIGATIONS HEREUNDER.

5. Subject to Appropriations. The Village's obligation to make payments on this Municipal Revenue Obligation shall be conditioned on (a) the Village Board's determination to appropriate Available Tax Increment to make such payments, (b) there not being an event of default on the part of the Developer under the Development Agreement, and (c) there being no delinquency in the payment of any taxes or special assessments levied against the Property or any personal property thereon, to the extent such personal property is owned by Developer or an affiliate of Developer.

6. Transfer of Municipal Revenue Obligation. This Municipal Revenue Obligation may not be transferred without the written approval of the Village. In order to transfer or assign this Municipal Revenue Obligation, the transferee or assignee shall surrender the same to the Village either in exchange for a new Municipal Revenue Obligation or for transfer of this Municipal Revenue Obligation on the registration records for this Municipal Revenue Obligation maintained by the Village. Any transferee or assignee shall take this Municipal Revenue

Obligation subject to the foregoing conditions and subject to all of the provisions of the Development Agreement.

7. Miscellaneous. This Municipal Revenue Obligation is subject to the Tax Increment Law and to the Development Agreement, the terms of which are incorporated herein.

VILLAGE:

VILLAGE OF MCFARLAND, WISCONSIN

By: _______________________________
Cassandra Suettinger, Clerk/Treasurer

Date: ____________, 2024

Tax Increment Financing Development Incentives Application

Application ID: 2022 (Year) - 01 (#) 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: Atwater - Phase II

Applicant: Lakestone Properties

Mailing Address: 5910 Main St, Suite 1, McFarland WI 53558

Primary Contact: Brian Spanos Telephone: 608-838-1900

Email: brian@lakestoneproperties.com 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 #
Ryan Quam	Quam Engineering	rquam@quamengineering.com	608-838-7750
Dan Bertler	Supreme Structures	Dan@supremestructues.com	608-442-6420
Nick Badra	Sketchworks Architecture	nbadura@sketchworksarch.com	608-836-7570

B. PROPERTY INFORMATION

Parcel(s) Address: 4719 Farwell St

Parcel(s) Tax Number: 154/0610-032-7010-1

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: 52,707 square feet

Parcel Contains Existing Buildings? ☒ No ☐ Yes

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

Most recent property assessment (PA):

$ 223,800 Land $ 0 Improvements $ 223,800 Total

Existing Uses: Vacant

Existing Zoning: PD

Existing Uses, Adjacent Parcels: Commerical N Multifamily S Multifamily E Commerical 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: One Community Bank

Contact Person & Phone Number: Dan Carey 608-838-5040

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.

See attached

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

See attached

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

Current annual expenses: $ N/A 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: See attached

Preliminary Construction Start Date: See attached

Preliminary Construction Completion Date: See attached

Date Occupied or Opened: See attached

Number of principal buildings and estimated square footage: 1 building 12,078 square feet

Estimated equalized assessed valuation after project completion (EAV)

$ See attached Land $ See attached Improvements $ See attached Total

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

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

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

Additional increment (B-A) = $ See attached

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

Some of the leases are being negotiated

Who will own and operate the developed property? Lakestone Properties

Do similar businesses/uses already exist in McFarland?

☐ No ☒ Yes, If yes, indicate There are other single story retail buildings in McFarland

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

The neighbors were aware when the GDP for Atwater I and II were approved and were in support

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

See attached

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.

The majority of the site utilities, retention ponds, grading, site lighting have been completed.

D. TIF REQUEST

State the total amount of TIF assistance being requested: $ $305,000

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.

See attached

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		Equity/TIF/Loan
Environmental testing/remediation		Equity/TIF/Loan
Demolition		Equity/TIF/Loan
Construction of new building(s)	$2,889,090	Equity/TIF/Loan
Site Improvements	$224,000	Equity/TIF/Loan
Renovation of existing structures		Equity/TIF/Loan
Cost of installation of machinery/equipment		Equity/TIF/Loan
Architectural/Engineering fees	$60,000	Equity/TIF/Loan
Legal & other professional fees		Equity/TIF/Loan
Permit fees		Equity/TIF/Loan
Financing fees		Equity/TIF/Loan
Developer fees	$233,709	Equity/TIF/Loan
Other (please specify) Soft Costs, Contingency	$182,500	Equity/TIF/Loan
Total Project Costs	$3,589,299	Equity/TIF/Loan

Budget source: ☒ Developer ☒ Arch/Eng ☒ Contractor ☐ Other ____________________________

Sources of Financing	Amount ($)	Percent of Total Costs
TIF	$305,000	8.5 %
Equity	$529,325	16.5 %
Loans	$2,691,974	75 %
Grants		%
Other (please specify)		%
Total Project Costs	$3,589,299	**100.0 %**

Lender for Project if in addition to the Village: One Community Bank

Officer Dan Carey Phone 608-838-5040 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 Brett Riemen Title Member

Signature Brett Riemen Date 4/11/2022

Return To:

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

TIF Application – Lakestone Properties – Atwater Phase II

April 11, 2022

Project Description

- The project site currently consists of a vacant parcel and the development proposes to construct a commercial building consisting of 12,078 square feet. The multitenant building will be home to approximately 4 to 6 businesses.

Sustainability / Green Design

- Building envelope will be designed to be compliant with the 2015 International Energy Conservation Code and current Wisconsin State Energy Code
- LED lighting throughout
- High efficiency heating and cooling units
- Project is located on an infill lot in an established neighborhood
- Project is located on a bike route
- Project is located within walking distance of shopping and restaurants
- Windows will be Energy Star or have a U value of less than 0.30
- Recycled content carpet pad used
- GreenGaurd or equivalent certified low formaldehyde insulation used
- Low V.O.C. paints and primers used

Project Schedule

- Construction to commence in August or September of 2022 with the building being completed by April or May 2023

Estimated Incremental Property Taxes

- Pre-Improvements
    - Value = $223,800
    - Taxes = $4,251

- Post-Improvements
    - Total Value = $1,932,480
    - Total Taxes (Estimated) = $36,717

Proposed tenants of the project

- Marketing towards restaurant and traditional retail businesses
    - Ex – food & drink, general retail, medical

Community Involvement

- Lakestone has been a long-time business member of the McFarland community and has contributed to the Chamber of Commerce, McFarland Education Foundation, McFarland Athletics, and many more local groups and charities.

TIF Request

- Below are factors that played a role in the need for TIF financing for this project.
    - Costs of construction
        - Costs associated with a single-story retail building have risen dramatically over the last 18 months. Hard costs for this same building 18 months ago were $2,318,976 ($192 per square foot) and today the costs are $2,889,090 ($239 per square foot). A difference of $570,114
    - Bank financing
        - Due to the speculative nature of this building (multi-tenant retail buildings are more risky than other commercial real estate projects), the bank will only lend on 75% loan to value instead of the typical 80% loan to value on other commercial projects. This change requires more equity for the project.
    - Market rents in McFarland compared other communities
        - McFarland retail rents are lagging behind some of the other communities in Dane County. Rent plays a big factor in the financial feasibility of the project. See below for the market rents for new retail buildings by community.
            - McFarland (Atwater) - $18 - $22 per square foot
            - Sun Prairie - $22 - $32
            - Middleton - $25 - $35
            - Waunakee - $28 - $38
            - Monona - $25 - $30
    - Based on the factors above, the overall return has resulted in a non-performing project that needs tax incremental financing assistance.
- The TIF request (Gap) is $305,000
- Some of the public benefits of this project include;
    - Development of an infill site
    - Increased real estate tax revenue
    - A project consistent with the goals and objectives of the Village
    - A location for new and existing businesses to grow in the Village

Estimated Costs of Development

Cost of Construction	12078 215 / SF	$2,596,770
Tenant Improvements	Additional tenant improvements	$292,320
Land / Site	Infrastructure that was completed in Phase I - Retention ponds, site utilities, parking lot lighting, grading	$224,000
Soft Costs	Architectural, Engineering, Builders Insurance, etc	$172,500
Contingency		$70,000
Development Fee	9% of hard costs	$233,709
Impact Fees		
Total Investment		**$3,589,299**

5-Year Property Analysis

Property Profile

Property Name	Atwater - Phase II	Size of Property (ft.^{2})	12,078
Location	McFarland	Total Cost	$ 3,589,299
Property Type	Multifamily	Projected Cap. Rate at Asking Price	
Size of Property (# Units)	6	Price per Unit at Asking Price	$ 598,217

Investment Summary

Proposed Purchase Price	$ 3,589,299	Purchase Price per ft.^{2}	$ 297.18
Proposed Cash Down Payment (%)	25.0%	Expenses, % of Future GOI, Year 1	4.4%
Proposed Down Payment	$ 897,325	Expenses, per unit, Year 1	$ 1,667
Rehab Costs	$ -	Gross Rent Multiplier, Future Rents	15.9
Other Startup Costs	$ -		
Initial Reserves		**Before-Tax Results**	
TIF Contribution	$ 305,000	Income Earned over 5 years	$ 238,640
Post-Closing Rebate to Buyer	$ -	Avg. Cash-on-Cash Return	8.1%
Total Initial Investment	**$ 592,325**	Internal Rate of Return (IRR)	13.1%
Debt Coverage Ratio - Year 2	1.25		
Debt Coverage Ratio - Year 1	1.24	**After-Tax Results**	
Cap. Rate at Purchase (projected)	6.02%	Income Earned over 5 years	$269,670
Proposed Cap. Rate at Sale	7.50%	Avg. Cash-on-Cash Return	9.1%
Purchase Price per Unit	$ 598,217	IRR	0.0%

Assumptions

Estimated Closing/Acquisition Costs	$ -	Owner Managed? (Y or N)	N
Vacancy Rate, Year 1	10.0%	Residential Property? (Y or N)	Y
Vacancy Rate, Year 3	10.0%	Owner's Ordinary Income Tax Bracket	35%
Rent Income Escalator, per year	1.5%	Capital Gains Tax Rate	20%
Other Income Escalator, with vacancy	1.0%	Tax Rate on Straight Line Recapture	25%
Other Income Escalator, without vacancy	1.0%	Expenses of Sale	4.0%
Expense Escalator, per year	2.0%	Property Tax Rate, % of Assessed Value/Yr.	1.00%
Management Fee, % of Effective Income	6.0%		

Mortgage Data	1st	2nd
LTV	75.0%	0%
Amount -	$ 2,691,974	$ -
Interest Rate	4.250%	10.0%
Amortization Period	25	10
Points + Fees Paid to Acquire Loan, %	0.0%	0.0%
Points + Fees Paid to Acquire Loan	0	0

Assessed/Appraised Values		
Present Assessment		$ 223,800
Future Assessment		$ 1,932,480
Land	$ 135,274	7.0%
Improvements	$ 1,739,232	90.0%
Personal Property	$ 57,974	3.0%
Total	$ 1,932,480	100.0%

Cash Flow Analysis Worksheet

Property Name	Atwater - Phase II		Purchase Price	$3,589,299
Prepared For			+ Acquisition costs	
Prepared By			+ Loan Points	
Date Prepared	11-Apr-22		+ Rehab Costs	
			- Mortgages	$2,691,974
Internal Rate of Returr	13.1%		- Closing Credits to Buyer	$305,000
			= Initial Investment	**$592,325**

Mortgage Data

	1st Mortgage	2nd Mortgage
Amount	2,691,974	
Interest Rate	4.25%	10.%
Amortization Period	25	10
Loan Term	25	10
Payments/Year	12	12
Periodic Payment	14,583	-
Annual Debt Service	175,001	-
Points/Acq. Fees		

Cost Recovery Data

	Improvements	Personal Property
Value	3,230,369	107,679
C. R. Method	SL	SL
Useful Life	27.5	7

5 year Proforma - Commercial Building

	Year :	1	2	3	4	5
1	Potential Rental Income	251,386	255,157	258,984	262,869	266,812
2	+Other Income affected by vacancy					
3	Vacancy & Credit Losses	25,139	25,516	25,898	26,287	26,681
4	=Effective Rental Income	226,247	229,641	233,086	236,582	240,131
5	+Other Income not affected by vacancy					
6	=Gross Operating Income	226,247	229,641	233,086	236,582	240,131
7	-Operating Expenses	10,000	10,200	10,404	10,612	10,824
8	=NET OPERATING INCOME	216,247	219,441	222,682	225,970	229,306
9	-Interest - 1st Mortgage	113,215	110,537	107,743	104,828	101,787
10	-Interest - 2nd Mortgage					
11	-Cost Recovery - Improvements	117,456	117,456	117,456	117,456	117,456
12	-Cost Recovery - Personal Property	15,383	15,383	15,383	15,383	15,383
15	=Real Estate Taxable Income	(29,806)	(23,935)	(17,900)	(11,697)	(5,320)
16	Tax Liability (Savings) at 35.0%	(10,432)	(8,377)	(6,265)	(4,094)	(1,862)

Cash Flow

		1	2	3	4	5
17	NET OPERATING INCOME (Line 8)	216,247	219,441	222,682	225,970	229,306
18	-Annual Debt Service	175,001	175,001	175,001	175,001	175,001
19	-Reserves for Replacements					
21	**=CASH FLOW BEFORE TAXES**	**41,246**	**44,440**	**47,680**	**50,969**	**54,305**
	Cash on Cash Return	**7.0%**	**7.5%**	**8.0%**	**8.6%**	**9.2%**

Hard Cost - Detail

	Estimate	Actuals
Land Acquisition	$1	
Additional Tenant Improvements	$292,320	
Infrastructure	$224,000	
Construction	$2,596,770	
Total Hard Cost	**$3,113,091**	

Sources & Uses of Funds

Loan	$	2,691,974.48
Equity	$	592,324.83
Total Sources	$	3,284,299.30
Less : Uses (Cost)	$	3,589,299.30
Gap	$	(305,000.00)

Soft Cost - Detail

	Estimate	Actuals
Architect Fee	$45,000	
Zoning	$0	
Permits	$15,000	
Construction Overhead	$20,000	
Construction Interest	$29,000	
Loan Fees	$7,500	
Appraisal	$2,500	
Legal	$10,000	
Taxes - Carry	$4,500	
Builder's Risk	$7,500	
Closing Costs	$5,000	
Marketing	$1,500	
Engineering	$15,000	
Soil Testing	$0	
Contingency	$0	
Signage - Monument	$10,000	
Impact Fees	$0	
Total Soft Cost	**$172,500**	

Other Costs - Detail

Contingency	$70,000
Developer Fee	$233,709
Total Other Cost	**$303,709**

Total $3,589,300

VILLAGE OF McFarland

Community & Economic Development

Plan Commission Application – 2022

~Application must be completed in full~

Applicant - Owner	Lakestone Holdings LLC	Applicant's Agent	
	5910 Main St #1	Name	Brian Spanos
Address	McFarland, WI 53558	Address	5910 Main St #1 McFarland WI
Email	Brian@lakestoneproperties.com	Email	Brian@lakestoneproperties.com
Phone #	608-219-5247	Phone #	608-219-5247
Fax #		Fax #	

Parcel No(s). 154/0610-0327010-1 **Type of Proposal – Please check boxes below that apply**

Requires Public Hearing (Class One)	FEES	Requires Public Hearing (Class Two)	FEES	Public Hearing Not required	FEES
☐ Preliminary Plat	\$500+AF	☐ Conditional Use	\$425+F	☐ Annexation	At cost
☐ Preliminary Plat (reapplication)	\$500+BF	☒ Rezoning (map)	\$475+F	☐ Dev. Agreement Including Addendums	\$400 F
☐ Certified Survey Map	\$300+FG	☐ Zoning Amendment (text)	\$475 +F	☐ Final Plat	\$500 +CF
☐ Condominium	\$300+EF	☐ USA/MMSD Annexation	At cost	☐ Final Plat (reapplication)	\$400 +DF
☐ Comprehensive Plan Amendment	\$500+F			☒ Site/Design Review	\$400 + F

+ = Plus publication and notification charges

A = Plus \$50.00 per lot

B = Any preliminary plat which has previously been reviewed/revised within the last 36 months

C = Plus \$50.00 for each lot within the final plat

D = Any final plat which has been previously reviewed or/ revised within the last 36 months

E = Plus \$40.00 for each unit shown

F = Plus actual legal, engineering and financial consulting costs incurred by the Village

G = Plus \$25.00 per lot for two or more lots.

Escrow Deposits (covers costs for outside consultants; e.g., engineers, attorneys, etc.)	
☐ R-E, R-3 & PD (up to 50 acres)	\$5,000
☐ R-E, R-3 & PD (greater than 50 acres)	\$10,000
☐ Site/Design Review (less than 2,000 sq. ft.)	\$1,000
☒ Site/Design Review (2,000 sq. ft. or more)	\$2,000
☐ All Plats including condominiums	\$5,000

Nature of the development proposal: Must provide address of proposed development, legal description, current zoning and description of proposal/request. (Attach additional paper if needed)

4719 Farwell St. McFarland WI (see attached intro letter)

PLEASE READ AND SIGN AT THE BOTTOM ON THE REVERSE SIDE

Has this specific proposal been previously discussed or acted upon by the Plan Commission?
☑ **YES** ☐ **NO (If "yes" state the nature and the date(s) of the previous application.)**

Submittal Requirements: One (1) hard copy 8 ½ x 11, except site plan sheets which should be 11 x 17, and one (1) electronic (pdf) copy. A completed in full application can be submitted to the Community Development Department (5915 Milwaukee Street, McFarland, WI 53558, community.development@mcfarland.wi.us), with fees included with submittal **by *NOON of the deadline day**, according to the schedule below.

Village of McFarland Plan Commission 2022 Schedule

The Village of McFarland Plan Commission normally conducts meetings on the third Monday of each month, unless otherwise noted below at 7:00 p.m. at the McFarland Municipal Center in the Community Room. To ensure adequate time for staff review, and publication of legal notices; potential agenda item materials are required to be submitted per the schedule listed below.

*Submittal Deadline Noon on:	For Scheduled 2022 Meeting date of:
December 7 (2021)	Tuesday, January 18
January 11	February 21
February 8	March 21
March 8	April 18
April 5	May 16
May 10	June 20
June 7	July 18
July 5	August 15
August 9	September 19
September 6	October 17
October 11	November 21
November 8	December 19 (Pending)
December 6	Tuesday, Jan. 17, 2023 (Pending)

Note, applications requiring a public hearing will be scheduled for a hearing according to the schedule above, with action considered at the next scheduled Plan Commission meeting following the public hearing. Applicants are encouraged to contact the Community & Economic Development Director for a pre-application meeting to review the project and submittal requirements prior to submitting an official application.

Acknowledgements:

- I understand failure to provide required materials/information/fees by the submittal deadline can result in this application being withdrawn for consideration by the Plan Commission. Materials submitted for review after the submittal deadline date, or incomplete submittals, may be held over until the next scheduled meeting.
- I understand any fees not paid for (i.e. legal notices, mailings, consultant review costs, etc.) will require any permits to be withheld until all payments are made in full. In addition, all application fees are non-refundable.
- I understand Plan Commission applications requiring a Public Hearing will not be acted on the same night as the Public Hearing.

X ______________________ 04/05/2022

Signature of Applicant/Agent Date

LAKESTONE PROPERTIES

5910 MAIN ST. MCFARLAND, WI 53558
P: 608-838-1800
F: 608-531-2800
WWW.LAKESTONEPROPERTIES.COM

April 5, 2022

Village of McFarland
Department of Planning
5915 Milwaukee Street
McFarland, WI 53558

RE: Atwater Phase II

Dear Commission Members, Planning and Development Staff:

Lakestone Properties is excited to submit the application for Phase II of the Atwater development. The Mixed-Use Phase I building was completed in January of 2021 and has a positive impact on the Farwell corridor. The apartments leased up very quicky and the two commercial spaces recently leased up as well.

Phase II will have approximately 12,000 square feet of commercial space and we are currently working with three tenants that would be new to the McFarland community.

The architecture of the building will be similar to Phase I but will differentiate itself with a commercial design. Storefront windows, flat roof, outdoor patios, and attractive building lines will be a nice compliment to the mixed-use building.

We are hoping to start construction this August with tenants opening up for business by April of 2023.

Project Information:

Address:	4719 Farwell Street
Zoning:	Planned Development
Lot Size:	1.2 acres
Proposed Use:	Commercial Space
Parking Counts:	54 stalls
Total Square Feet:	12,078

Project Team:

Owner
Lakestone Holdings LLC
Lakestone Properties & Management LLC
Brett Riemen & Brian Spanos
5910 Main Street, Suite 1
McFarland, WI 53558
608-838-1800

Architect
Sketchworks Architecture, LLC
Nick Badura
2501 Parmenter Street, Suite 100B
Middleton, WI 53592
608-836-7570

Civil Engineer & Landscape Architect:
Quam Engineering, LLC
Ryan Quam
4604 Siggelkow Road, Suite A
McFarland, WI 53558
608-838-7750

Please feel free to contact us with any questions.

Sincerely,

By: Lakestone Properties & Management LLC

By: ______________________________
Brett Riemen, CCIM
Partner

By: ______________________________
Brian Spanos
Partner

Site and Design Plans

Check List

Date received: ______

Subject property address: 4719 Farwell St
McFarland, WI 53558

Landowner's name: Lakestone Holdings LLC

Landowner's address: 5910 Main St #1
McFarland, WI 53558/

Landowner's phone/fax: 608-219-5247

Landowner's email: Brian@lakestoneproperties.com

Agent's name: ______

Agent's address: ______

Agent's phone/fax: ______

Agent's email:

Intro Letter A. Title Block that indicates name and address of the current property owner.

Intro Letter B. Name and signature of the designer.

A-1 C. Date of original plan and latest date of revised plan.

Quam C-1 D. North arrow and graphic scale. Said scale shall not be smaller than 1 inch equals 100 ft.

Intro Letter E. Existing zoning PD Proposed rezoning ______yes x ______no

Quam C-1 F. All property lines, and existing and proposed right-of-way lines with bearings and dimensions clearly labeled.

Quam C-2 G. All required building setback lines.

Quam C-2 H. The location of all access points and connections to public streets, off-street parking, and loading areas on the subject property including a summary of the number of parking stalls, accessible parking stalls, and labels indicating the dimension of such areas.

Quam C-2 I. All existing and proposed building structures and paved areas, including walks, drives, decks, patios, balconies, fences, retaining walls, utility poles, exterior utility and mechanical equipment, and any accessory structures.

N/A J. Existing and proposed site and building signage.

A-1/A-8 K. Color exterior façade elevations of all proposed buildings including descriptions of materials and colors.

N/A L. The location of all outdoor storage areas; including proposed screening materials and colors._

Quam C-3 M. The location of existing and proposed drainage facilities including stormwater and erosion control plan.

Quam C-2 N. The location and type of any permanently protected green space areas.

N/A O. The location and elevation of any wetlands or floodplains.

Quam C-3 P. Grading Plan including existing & proposed topography shown at a contour interval of not more than two (2) ft.

Quam C-2 & 5 Q. In the legend, data for the subject property:

(1) Lot area

(2) Building area

(3) Paved area

(4) Total impervious area

(5) Landscaping points provided and required for building foundations, gross floor area, street frontage, and paved area.

(5) Building height

(6) Existing zoning, proposed zoning

(7) Number of parking stalls provided and required.

Quam C-5 R. Landscaping Plans including proposed species, quantity and planting size. Refer to Appendix B of the Village's Zoning Code for more information.

Quam C-4 S. Hydrant locations and Fire Department Connection.

Quam C-6 T. Lighting Plans including photometrics and description of fixture types, heights and orientation.

Quam C-4 U. Utility plans, including the location of existing and proposed overhead or underground site utilities, including piping and meter sizes and associate appurtenances.

Quam C-2 V. Existing or proposed easements.

General Comments W. A legal description of the subject property.

General Comments: Lot 1 of CSM 15246

Note: In addition to Site and Design Permit approval, a building permit from the Village Building Inspector is required prior to the start of construction of any building, fence, or sign.

Planned Development District – Infill

Statement of Owners Intent

Detailed Plan for Phase 2 Development

04-05-2022

Project:

Atwater Phase II

4719 Farwell Street Development

Developer:

Lakestone Properties & Management, LLC

Brian Spanos & Brett Riemen

Statement of Owners Intent

It is the intent of the developer to develop the property currently addressed as 4719 Farwell into a commercial development. The purpose of this submittal is to seek the following approvals:

1. Detailed Plan for Phase 2 Development

Legal Description

Legal description is as follow:

Lot 1 of CSM 15246

Existing Site

The Existing Site Plan is included as sheet C-1. Site features are as follows:

1. Lot 1 is 1.210 total acres
2. Currently zoned PD - Planned Development
3. The site is a vacant lot that was previously an office building. (building was removed in 2020).
4. The site is relatively flat with a downward sloping grade of approximately 4 feet from the southeast corner of the site to the northwest corner. All but one of the stormwater ponds have been installed during the construction of Phase I.
5. Lot 1 of CSM 15246 abuts commercial properties to the west and across Farwell Street north of the development. There are existing multifamily buildings along the western and southern edge.

Description of General Plan the Development

The General Plan proposes one building, associated drive aisles, parking, and stormwater management ponds as shown on sheet C-2. The building and site layout are described as follows:

1. Commercial Building
    a. One story commercial building with approximately 12,078 S.F. of leasable space.
2. Approximately 54 parking stalls.

3. Site layout
    a. The building has been placed up near Farwell Street to make a strong connection to the street to promote visibility and to activate the street with the commercial spaces.
    b. A possible patio space has been placed between the buildings and Farwell St. This space will contain outdoor seating for the retail tenants.
    c. Approximately 54 parking stalls will be constructed for the retail tenants.
    d. The tenant space furthest to the east will have a drive-through option.
    e. Multiple ponds are located to meet the runoff control, sediment control, and infiltration requirements for all proposed impervious surfaces.
    f. The single story building has a 22.9% floor area ratio.
    g. Impervious surface percentage 74.3% of the total lot area.

4. Schedule
    a. Construction to start late Summer of 2022 with tenant occupancy by Spring of 2023.

Description of Detailed Plan for Lot 1

A single-story commercial building including the following details:

1. The Site Plan is included as sheet C-1 with features as follows:
    a. 12,078-14,266 S.F. of commercial space (with two possible mezzanines)
    b. 54 surface stalls

2. The grading plans are included on sheet C-3 with features as follows:
    a. The commercial spaces have accessible entrances from the parking lot side of the building as well as from the north side of the building along Farwell Street.

3. Building elevation drawings are shown on sheets A1-A8. Exterior materials are high quality, low maintenance materials and comply with the design guidelines in TIF #5.

   a. Exterior materials consist of aluminum storefronts, brick veneer, and composite lap siding and trim.

4. The Landscape Plan is included on sheet C-5 and meets the Village of McFarland requirements.

5. The Site Lighting Plan is included on sheet C-6 and fixture cut sheets have been included. Site lighting is cut-off downlight to minimize night sky light pollution. The cut-off fixture allows for the control of light to or site and prevents light spill over to adjacent properties.

6. The Utility Plan is included as sheet C-4.
   a. The 6" sanitary sewer lateral will connect to the existing 8" sanitary sewer under Farwell Street.
   b. The 6" water service lateral will connect to the 6' stub on phase one of this development.
   c. The Inlets, catch basins, and bioretention ponds will collect from all impervious surfaces with overflows being connected to the storm sewer under Farwell Street.

Planned Development Infill District Standards and Responses

Section 62-66(d) lists the standards that shall apply in the review of all general and details plans proposed for the Planned Development Infill District (PD-I). The standards and this submittal responses are as follows:

1. *Maximum impervious surface ratio: seven-tenths nonresidential and mixed use.* **The impervious surface ratio is .74**
2. *Maximum floor area ratio: 0.70.* **The floor area ratio is below .70 at 0.23**
3. Additional standards
   a. *Screening and requirements for buffer yards shall be included as part of plan reviews. Such screening shall shield neighboring properties from any adverse external effects of the proposed development. Screening and buffer yards shall also be used to shield the proposed development from the*

negative impacts of adjacent uses, such as streets, industrial uses, etc. Special emphasis shall be placed on screening the intrusion of automobile headlights on neighboring properties from parking areas and driveways. **Buffer yards and landscape screening have been provided along the southern property line to provide separation from the multifamily unit to the south including landscape screening along the parking edge. It should also be noted the multifamily units sit higher in elevation than the parking area providing additional protection from headlights.**

b. Pedestrian circulation should be carefully planned so as to prevent pedestrian use of vehicular ways and parking spaces. In all cases, pedestrian access shall be provided by public walkways. **Appropriate pedestrian circulation has been provided by proving direct pedestrian routes form the public sidewalk to the buildings. Having one driveway also limits the vehicular interaction between pedestrians and vehicles.**

c. The useable open space required for residential development projects and mixed use residential project shall be designed for use of each individual dwelling unit or shall be located and designed to be of utility to every dwelling unit proposed. This required usable open space shall be designed to maximize privacy and usability to the residence. ***No residential uses for this Phase however we will be providing outdoor patios for the commercial tenants.***

d. Special emphasis shall be placed on trash collection points. Trash containers shall be screened and so designed so as to be conveniently accessible to their users and collectors. **There is a trash enclosure located in the south portion of the commercial parking lot.**

e. Within the PD-I District, mixed land uses may be proposed. However, they must be found to be compatible based on the site and building designed proposed. Compatibility will also be judged on the basis of how the proposed project fits within the context of the neighborhood and abutting properties. The basic intent of this Chapter and Village Comprehensive Plan must be adhered to. **The Comprehensive Plan has designated**

this site as Mixed Use-Flex Commercial. This proposal complies with that designation. This site is surrounded by commercial and residential development. This commercial proposal is ideally compatible.

f. *Snow removal areas and procedures must be described in the plans.* **Snow can be placed on the perimeter of the site and if weather conditions dictate it can be trucked off site.**
g. *All site lighting shall be controlled so as not to extend a direct light source onto abutting properties. Cutoff type luminaries shall be used and all lighting sheds shall be indicated on the plans.* **Cutoff fixtures are being used. Lighting Plan is on sheet C-6, which shows the light sheds being controlled on site.**
h. *The physical attributes of the site shall be respected with particular concern for preservation of natural features, tree growth and open space.* **The site has been designed to work with the natural topography of the site, for site drainage, ground water, and the building relationship to the street.**

4. *Exceptions to standards. Exceptions to these standards may be recommended by the Village Plan Commission subject to final approval given by the Village Board.*

Planned Development District Standards and responses

1. *Standards. The following standards shall apply in the review of all general or detailed plans proposed for the Planned Development District (PD).*
    a. *The uses proposed in the PD shall be in general conformance with the Village Comprehensive Plan.* **See 3(e) above**
    b. *The establishment, maintenance or operation of the uses proposed in the PD shall not substantially impair or diminish the use, value and enjoyment of other properties within the neighborhood.* **The proposed development will not impair or diminish the use, value and enjoyment of other properties. On**

the contrary, this project will enhance the character of the neighborhood and bring additional opportunities for retail, employment and enjoyment.

c. *Traffic circulation into and within the PD shall be design to minimize traffic congestion and traffic hazards, provide for the accessibility of all uses and buildings and also for the safe and convenient movements of both vehicles and pedestrians.* **See 3 (b) above**

d. *The planned development shall incorporate environmental design considerations, including the preservation of topography, trees and ground cover, streams and natural bodies of waters, and other significant natural features and control erosion and runoff in accord with the Village Erosion Control and Stormwater Management Ordinances.* **See 3 (h) above. Erosion Control and Stormwater Management will comply with Village standards.**

e. *The PD shall provide for convenient and harmonious groups of buildings, structures and uses; and building shall be spaced and sited to ensure adequate safety, light, ventilation and privacy.* **The site and buildings have been carefully designed to provide a cohesive, enjoyable, and safe development.**

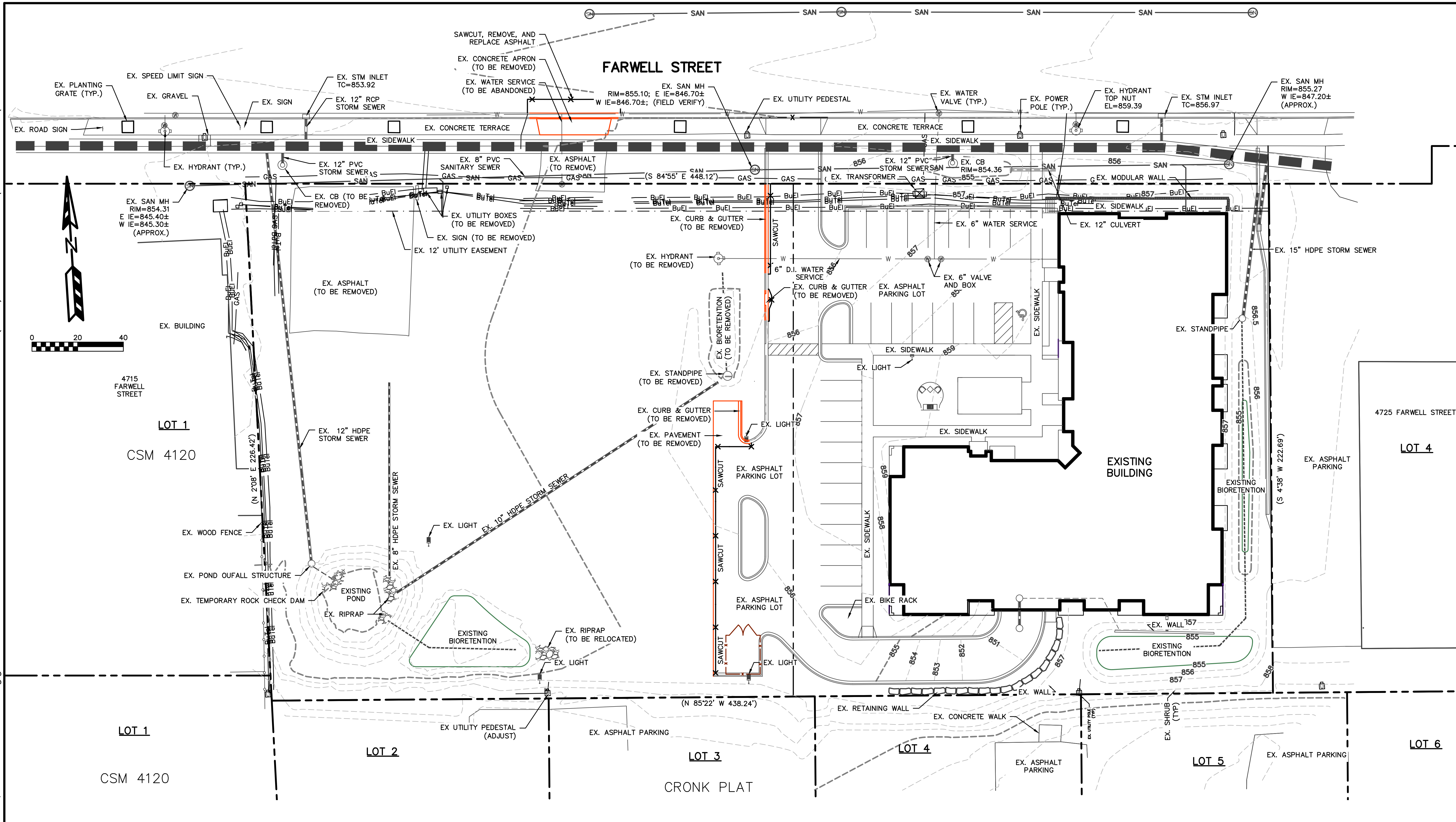
f. *The following provisions shall apply:*

    i. *In a PD for residential use, adequate open space and recreation areas shall be provided in appropriate locations, and all public and common open spaces shall be designed and located to provide safe and convenient access to residents.* **See 3 (c) above**

    ii. *PDD housing impacts on community resources in the same manner as other new developments, which are characterized by division of land into lots. In particular, the additional population density places demand on Village parks, and recreation areas. Accordingly, each dwelling unit newly established shall be required to dedicate land or provide fees in lieu of land, in accordance with the procedures set forth in Section 62-64.* **N/A**

g. *The PD will not adversely affect the ability of public agencies to provide school or other municipal services.* **This proposal will not adversely affect municipal services and schools.**

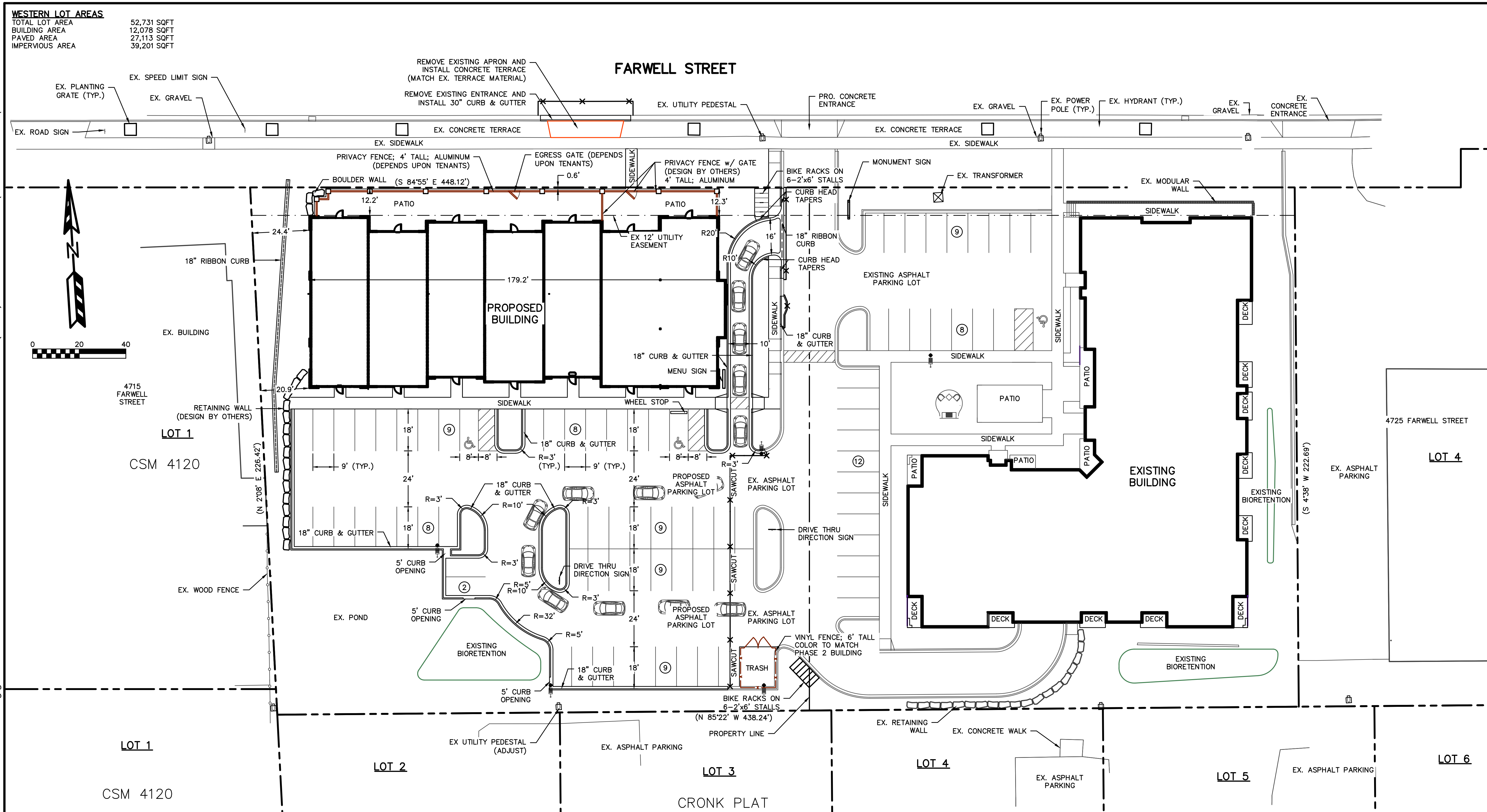
h. *The width of street right-of-way, width paving, width and location of street or other paving, outdoor lighting, location of sewer and water lines, provision for stormwater drainage or other similar environmental engineering considerations shall be based on a determination of the appropriate standards necessary to implement the specific function in the specific situation; provided, however, that in no case shall standards be less than those necessary to ensure the public safety and welfare as determined by the Village.* **The construction will meet Village standards.**
i. *The proponents of a PDD application provide evidence satisfactory to the Village Board of its economic feasibility of available adequate financing and that it would not adversely affect the economic prosperity of the Village or the values of surrounding properties.* **The developer will be going through the TIF application process.**
j. *The proponents of a PD shall submit a reasonable schedule for the implementation of the development to the satisfaction of the Village Board, including suitable provisions for assurance that each Phase could be brought to completion in a manner that would not result in an adverse effect upon the community as a result of termination at that point.* **The project is scheduled to start construction late Summer of 2022 with tenant occupancy in Spring of 2023.**

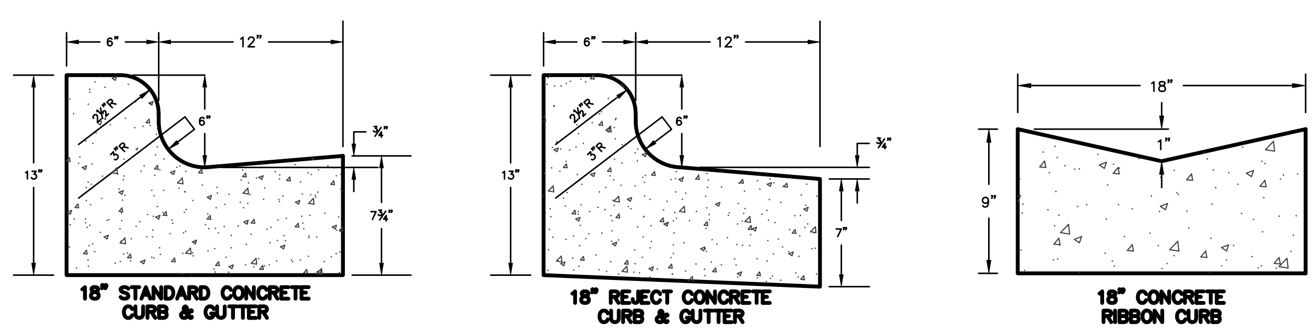


4721 FARWELL STREET DEVELOPMENT
EXISTING SITE PLAN
SHEET: C-1
DATED: JUly 6, 2022

QUAM ENGINEERING, LLC
Residential and Commercial Site Design Consultants
www.quamengineering.com
4604 Siggelkow Road, Suite A – McFarland, Wisconsin 53558
Phone (608) 838-7750; Fax (608) 838-7752

QUAM ENGINEERING, LLC 4604 Siggelkow Road, Suite A – McFarland, WI 53558 (608) 838-7750 \SP-20-19\SP20BASE.DWG





4721 FARWELL STREET DEVELOPMENT
PROPOSED SITE PLAN
SHEET: C-2
DATED: JULY 6, 2022

QUAM ENGINEERING, LLC
Residential and Commercial Site Design Consultants
www.quamengineering.com
4604 Siggelkow Road, Suite A – McFarland, Wisconsin 53558
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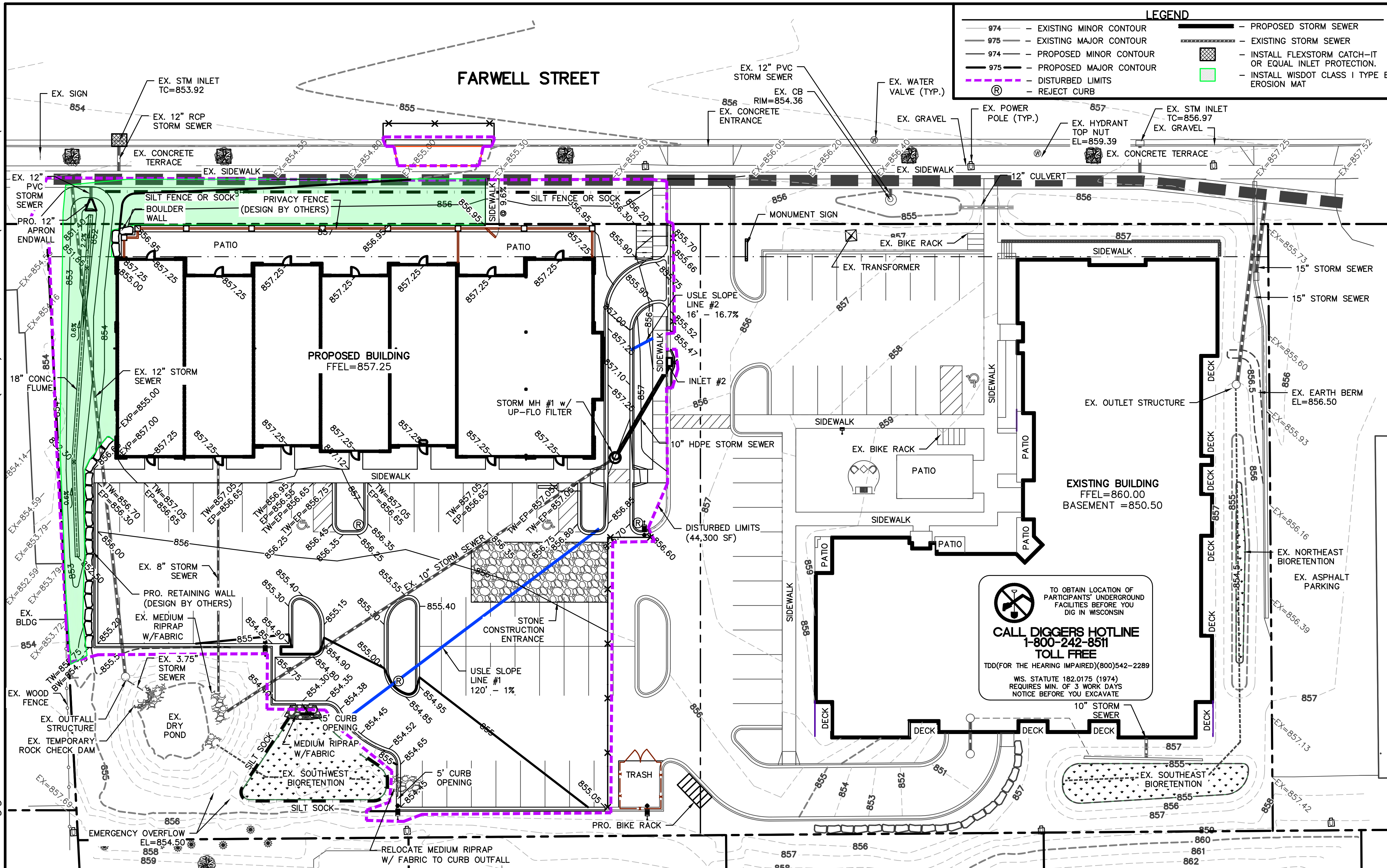


EROSION NOTES:

THE STONE CONSTRUCTION ENTRANCE SHALL BE INSTALLED PRIOR TO ANY CONSTRUCTION. THE TRACKING PAD IS TO BE MAINTAINED BY THE CONTRACTOR IN A CONDITION, WHICH WILL PREVENT THE TRACK OF MUD OR DRY SEDIMENT ONTO THE ADJACENT PUBLIC STREETS. SEDIMENT REACHING THE PUBLIC ROAD SHALL BE REMOVED BY STREET CLEANING (NOT HYDRAULIC FLUSHING) BEFORE THE END OF EACH WORKDAY.

EROSION CONTROL DEVICES SHALL BE INSTALLED PRIOR TO GRADING OPERATIONS AND SHALL BE PROPERLY MAINTAINED FOR MAXIMUM EFFECTIVENESS UNTIL VEGETATION IS ESTABLISHED. ALL EROSION CONTROL MEASURES AND STRUCTURES SERVING THE SITE MUST BE INSPECTED AT LEAST WEEKLY OR WITHIN 24 HOURS OF A 0.5 INCH RAIN EVENT. ALL MAINTENANCE WILL FOLLOW AN INSPECTION WITHIN 24 HOURS.

CUT AND FILL SLOPES SHALL BE NO GREATER THAN 3:1.

EROSION CONTROL IS THE RESPONSIBILITY OF THE CONTRACTOR UNTIL ACCEPTANCE OF THIS PROJECT. EROSION CONTROL MEASURES AS SHOWN SHALL BE THE MINIMUM PRECAUTIONS THAT WILL BE ALLOWED. THE CONTRACTOR SHALL BE RESPONSIBLE FOR RECOGNIZING AND CORRECTING ALL EROSION CONTROL PROBLEMS THAT ARE A RESULT OF CONSTRUCTION ACTIVITIES. ADDITIONAL EROSION CONTROL MEASURES, AS REQUESTED IN WRITING BY THE STATE OR LOCAL INSPECTORS, OR THE DEVELOPER'S ENGINEER, SHALL BE INSTALLED WITHIN 24 HOURS.

TIME SCHEDULE:

JULY 20 – 31, 2022	INSTALL INITIAL EROSION CONTROL DEVICES AND ROUGH GRADE SITE.
AUGUST 1, 2022 – MAY 1, 2023	CONSTRUCT BUILDING & PARKING LOT AND RESTORE PERVIOUS DISTURBED AREAS.
AUGUST 29, 2022	APPLY TEMPORARY MULCH, WOODCHIPS, OR TARPS TO PERVIOUS DISTURBED AREAS.

RESTORATION NOTES:

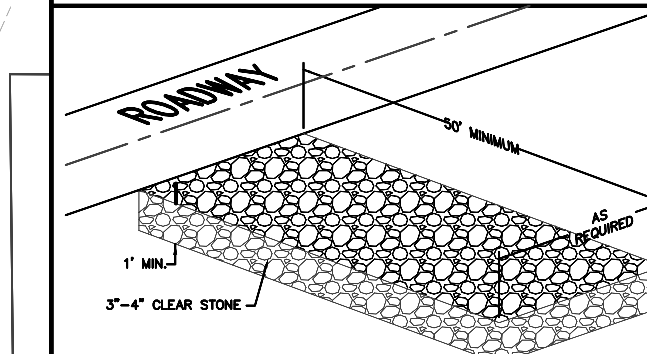
ALL PERVIOUS DISTURBED AREAS SHALL RECEIVE A MINIMUM OF FOUR (4) INCHES OF TOPSOIL, SEED AND MULCH. ALL PERVIOUS DISTURBED AREAS SHALL RECEIVE FERTILIZER EXCEPT NATIVE PLANTING AREAS. RESTORATION WILL OCCUR AS SOON AFTER THE DISTURBANCE AS PRACTICAL. SEED MIXTURE 40 SHALL BE USED ON ALL OTHER DISTURBED AREAS. MIXTURES SHALL BE IN ACCORDANCE WITH SECTION 630 OF D.O.T. SPECIFICATIONS. AN EQUAL AMOUNT OF ANNUAL RYEGRASS SHALL BE ADDED TO THE MIX.

SEED MIXTURES SHALL BE APPLIED AT THE RATE OF FOUR (4) POUNDS PER 1,000 SQUARE FEET. FERTILIZER SHALL BE APPLIED AT THE RATE OF FOUR (4) POUNDS PER 1,000 SQUARE FEET. MULCH SHALL CONSIST OF HAY OR STRAW APPLIED AT THE RATE OF 2 TONS PER ACRE.

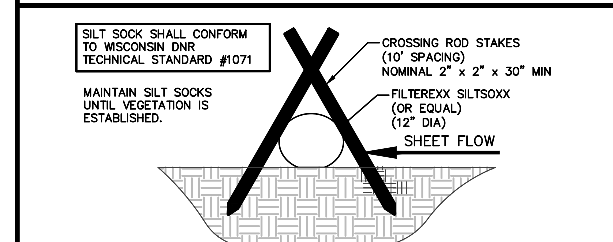
FERTILIZER SHALL MEET THE MINIMUM REQUIREMENTS THAT FOLLOW: NITROGEN, NOT LESS THAN 16%; PHOSPHORIC ACID, NOT LESS THAN 8%; POTASH, NOT LESS THAN 8%.

OWNER:
LAKESTONE PROPERTIES & MANAGEMENT, LLC
ATTN: BRIAN SPANOS
5910 MAIN STREET, SUITE 1
MCFARLAND, WI 53558

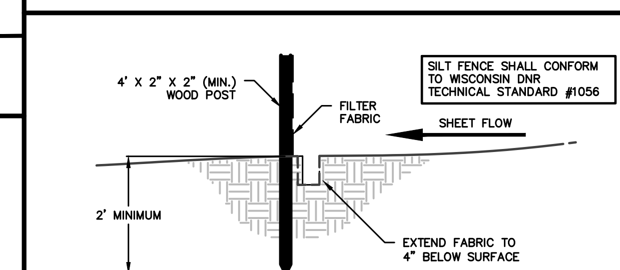
ENGINEER:
QUAM ENGINEERING, LLC
ATTN: RYAN QUAM
4604 SIGGELKOW ROAD, SUITE A
MCFARLAND, WI 53558



STONE CONSTRUCTION ENTRANCE



SILT SOCK DETAIL



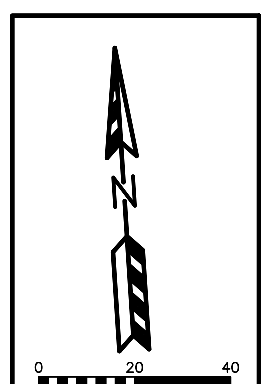
SILT FENCE CONSTRUCTION (SHEET FLOW)

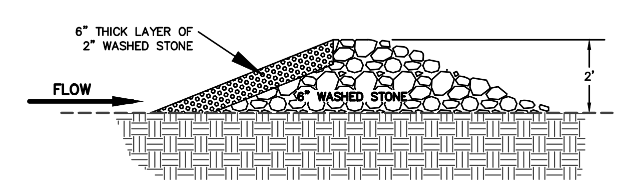
PER DNR PRESCRIPTIVE COMPLIANCE, SLOPES STEEPER THAN 5:1 MUST HAVE THE INDICATED EROSION MATTING (PER DNR TECH STANDARD 1052) AND SLOPE INTERRUPTION DEVICES (PER DNR TECH STANDARD 1071) INSTALLED. THE AREA SHALL BE STABILIZED IMMEDIATELY AFTER REACHING PROPOSED GRADE OR IF THE AREA REMAINS INACTIVE FOR 14 DAYS. SOIL EXPOSURE SHALL BE LIMITED TO 30 CALENDAR DAYS.

TO OBTAIN LOCATION OF PARTICIPANTS' UNDERGROUND FACILITIES BEFORE YOU DIG IN WISCONSIN

CALL DIGGERS HOTLINE
1-800-242-8511
TOLL FREE
TDD(FOR THE HEARING IMPAIRED)(800)542-2289

WIS. STATUTE 182.0175 (1974) REQUIRES MIN. OF 3 WORK DAYS NOTICE BEFORE YOU EXCAVATE





ROCK CHECK DAM DETAIL

4721 FARWELL STREET DEVELOPMENT
GRADING & EROSION CONTROL PLAN
SHEET: C-3
DATED: JULY 6, 2022

QUAM ENGINEERING, LLC
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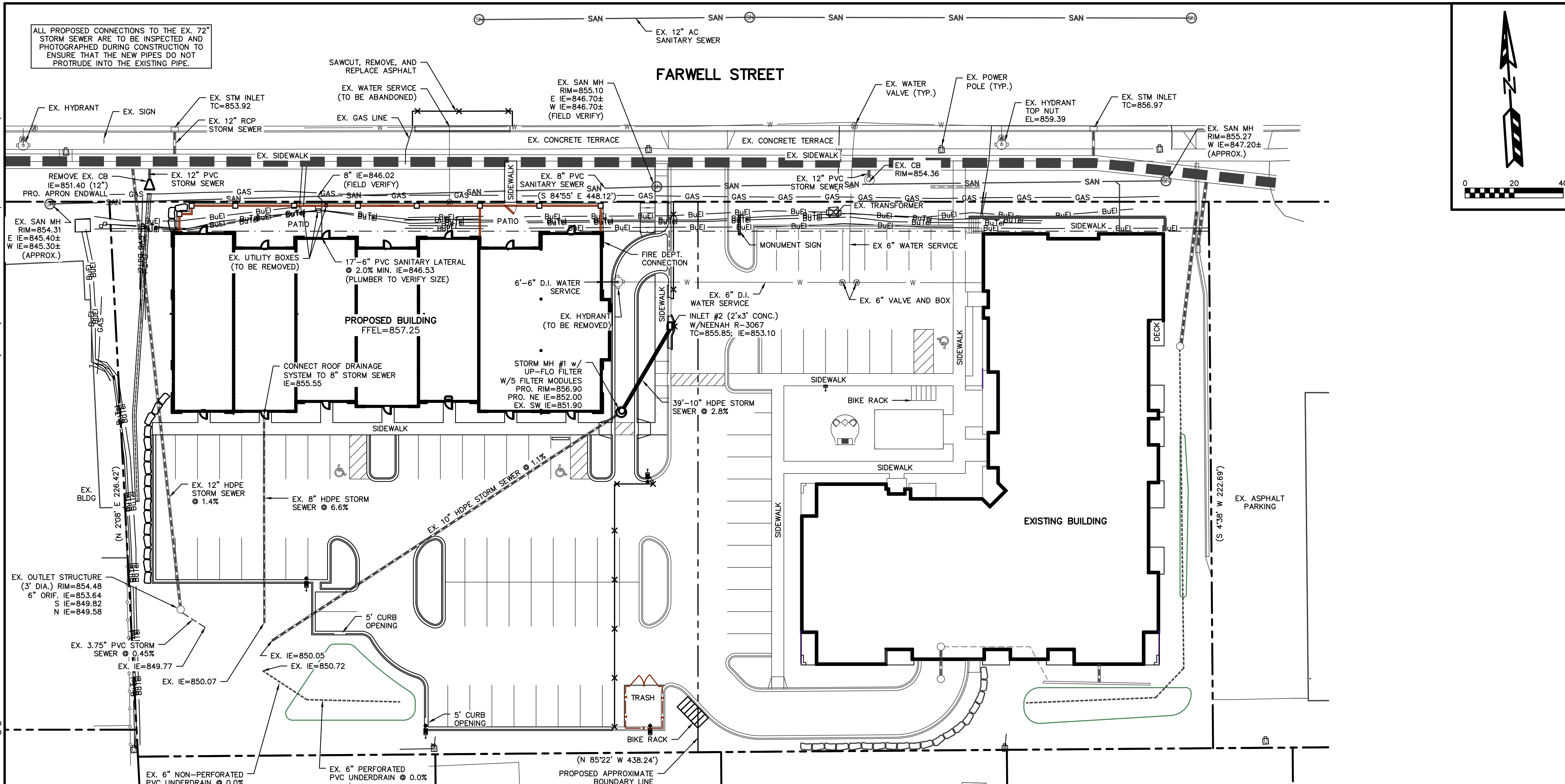

UTILITY NOTES:

CONTACT VILLAGE PRIOR TO CONNECTING PROPOSED UTILIES INTO EXISTING UTILITIES. ALL CONNECTIONS SHALL BE PHOTOGRPAHED AND NEW STORM PIPES SHALL NOT EXTRUDE INTO EXISTING STORM PIPES.

ALL SANITARY SEWER, STORM SEWER AND WATER MAIN CONSTRUCTION SHALL BE IN COMPLIANCE WITH THE MOST CURRENT EDITION OF VILLAGE OF MCFARLAND STANDARD SPECIFICATIONS FOR PUBLIC WORKS IMPROVEMENTS AND WISCONSIN DSPS STANDARDS.

THE LENGTHS OF ALL UTILITIES ARE TO CENTER OF STRUCTURES OR FITTINGS AND MAY VARY SLIGHTLY FROM THE PLAN. LENGTHS SHALL BE VERIFIED IN THE FIELD DURING CONSTRUCTION.

MAINTAIN AN 8 FOOT MINIMUM HORIZONTAL SEPARATION DISTANCE BETWEEN PUBLIC SANITARY SEWER, WATER MAIN AND STORM SEWER. PROVIDE 18" MINIMUM VERTICAL SEPARATION WHERE SEWER CROSSES OVER WATER MAIN AND PROVIDE 12" MINIMUM VERTICAL SEPARATION WHERE WATER MAIN CROSSES OVER SEWER.

ANY UTILITIES WHICH ARE DAMAGED BY THE CONTRACTOR SHALL BE REPAIRED TO THE OWNER'S SATISFACTION AT THE CONTRACTOR'S EXPENSE.

ALL UNDERGROUND EXTERIOR NON-METALLIC SEWERS/MAINS AND WATER SERVICES/MAINS MUST BE PROVIDED WITH TRACER WIRE OR OTHER METHODS IN ORDER TO BE LOCATED IN ACCORDANCE WITH 182.0715(2r) OF STATE STATUTES.

THE CONTRACTOR SHALL VERIFY EXISTING SANITARY SEWER LATERAL INVERT PRIOR TO BUILDING CONSTRUCTION AND SHALL REPORT DISCREPANCIES PRIOR TO COMMENCING WORK TO THE ENGINEER OR BUILDING CONTRACTOR. THE CONTRACTOR SHALL CONTACT THE VILLAGE OF COTTAGE GROVE PRIOR TO CONNECTING TO THE WATER SERVICE.

BUILDING LATERALS SHALL BE CONSTRUCTED IN ACCORDANCE WITH LOCAL AND STATE PLUMBING CODES. SITE UTILITY CONTRACTOR SHALL STUB LATERAL TO 5 FEET OUTSIDE BUILDING. SEE INTERIOR PLUMBING PLANS FOR CONTINUATION OF PIPING INTO BUILDING BY BUILDING PLUMBING CONTRACTOR IN ACCORDANCE WITH STANDARD SPECIFICATIONS FOR SEWER AND WATER CONSTRUCTION WISCONSIN, LATEST EDITION.

GENERAL CONTRACTOR SHALL COORDINATE WITH LOCAL GAS, TELEPHONE, AND ELECTRICAL UTILITIES FOR EXACT LOCATION SIZE AND DEPTH OF NEW SERVICE.

SANITARY SEWER SHALL BE PVC ASTM D3034, SDR 35 UNLESS INDICATED OTHERWISE.

WATER SERVICE SHALL BE DUCTILE IRON UNLESS INDICATED OTHERWISE.

ALL EXISTING WATER LATERALS AND UNNECESSARY WYES TO THE SITE ARE TO BE ABANDONED WITH CAPS AT THE MAIN.

TO OBTAIN LOCATION OF PARTICIPANTS' UNDERGROUND FACILITIES BEFORE YOU DIG IN WISCONSIN
CALL DIGGERS HOTLINE
1-800-242-8511
TOLL FREE
TDD(FOR THE HEARING IMPAIRED)(800)542-2289
WIS. STATUTE 182.0175 (1974) REQUIRES MIN. OF 3 WORK DAYS NOTICE BEFORE YOU EXCAVATE

4721 FARWELL STREET DEVELOPMENT
UTILITY PLAN
SHEET: C-4
DATED: JULY 6, 2022

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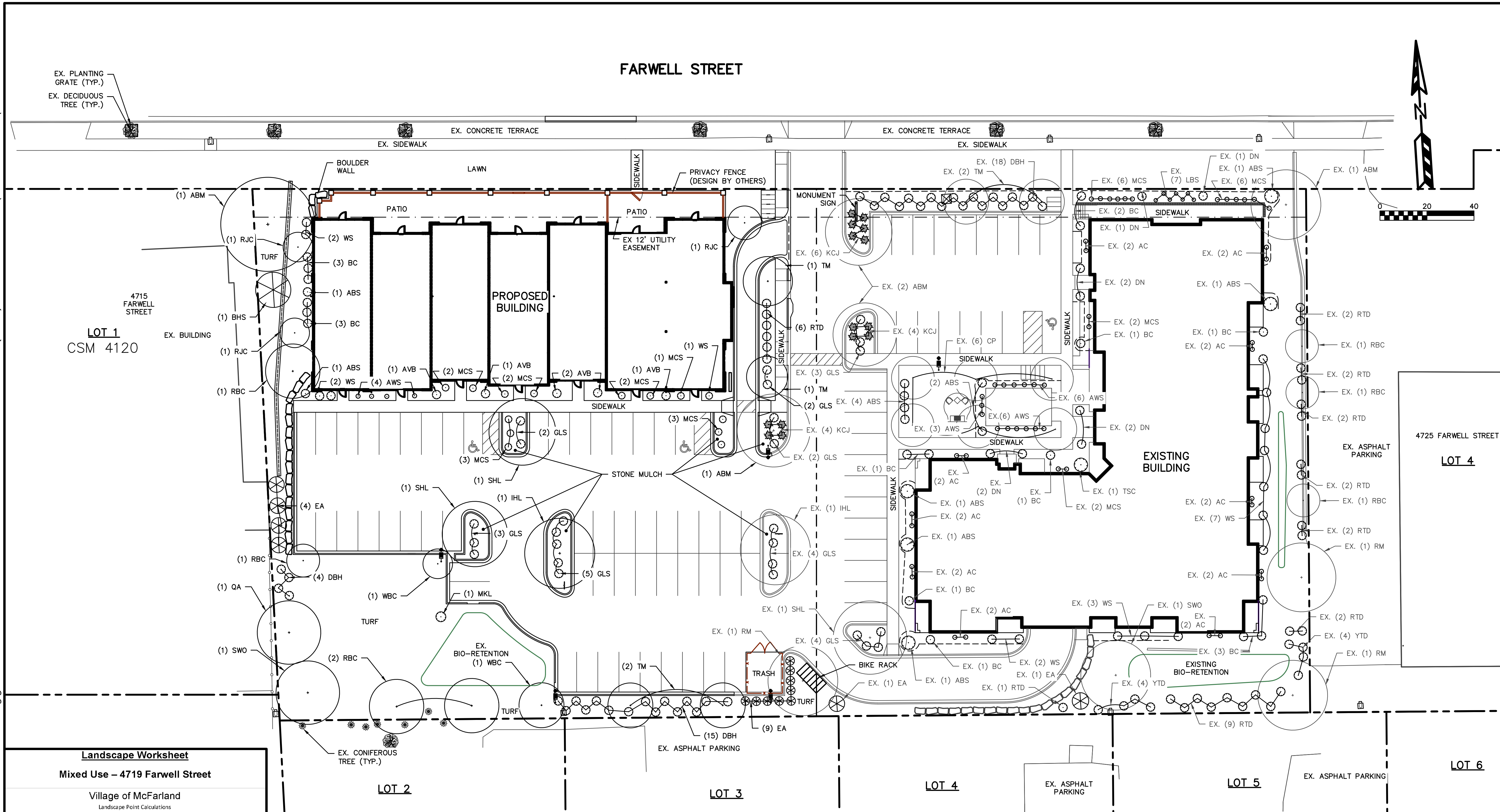


Landscape Worksheet

Mixed Use – 4719 Farwell Street

Village of McFarland

Landscape Point Calculations

Minimum Points Required for PD-I (CG) Zoning District

	Site Measurement	Points Calculation	Points Required
Building Foundation	536	40 Per 100 ft.	214
G.F.A.	12,078	10 Per 1,000 ft.	121
Street Frontage	240	50 Per 100 ft.	120
Paved Area	27,113	80 Per 10,000 sq. ft.	217

672 Total Points Required

(Ord. No. 2011-06, § 1, 5-23-2011)

Total Landscape Points Supplied: 775

PLANT LIST - 1

KEY	QUAN	SIZE	COMMON NAME	ROOT	POINTS
	4		**Large Deciduous Trees (40 Points)**		160
ABM	2	2"	Autumn Blaze Maple	BB	80
QA	1	2:	Quaking Aspen	BB	40
SWO	1	2"	Swamp White Oak	BB	40
	13		**Medium Deciduous Trees (25 Points)**		325
IHL	1	2"	Imperial Honey Locust	BB	50
RBC	4	10'	River Birch Clump	BB	100
SHL	2	2"	Skyline Honey Locust	BB	50
TM	4	2"	Tatarian Maple	BB	100
WBC	2	10'	White Birch Clump	BB	50
	3		**Small Deciduous Trees (15 Points)**		45
RJC	3	1 ½"	Red Jade Crab	BB	45
	7		**Tall deciduous shrubs (5 Points)**		35
ABS	2	5'	Autumn Brilliance Serviceberry	BB	10
AVB	5	3'	Arrowood Viburnum	Pot	25

PLANT LIST - 2

KEY	QUAN	SIZE	COMMON NAME	ROOT	POINTS
	41		**Medium deciduous shrubs (3 Points)**		123
AWS	4	18"	AW Spirea	Pot	12
BC	6	24"	Black Chokeberry	Pot	18
DBH	19	24"	Dwarf Bush Honeysuckle	Pot	57
MKL	1	36:	Miss Kim Lilac	Pot	3
RTD	6	24"	Red Twig Dogwood	Pot	18
WS	5	24"	White Snowberry	Pot	15
	25		**Low deciduous shrubs (1 Points)**		25
GLS	12	18"	Gro Low Sumac	Pot	12
MCS	13	18"	Magic Carpet Spirea	Pot	13
	1		**Large Evergreen Trees (30 Points)**		30
BHS	1	5'	Black Hills Spruce	BB	30
	4		**Medium evergreen shrub (5 Points)**		20
EA	4	4'	Emerald Arborvitae	BB	20
	4		**Low evergreen shrub (3 Points)**		12
KCJ	4	4'	Kallay Compact Juniper	Con	12
			Total Landscape Points:		775

NOTES:

1) Designated lawn areas to be seeded (Madison Parks seed mix), fertilized, and mulched with straw mat.
2) Designated turf areas to be seeded (No-mow seed mix), fertilized, and mulched with straw mat
3) Drainage swales and lawns with slopes steeper than 3/1 shall be mulched with erosion control fabric (installed per manufacturer's specifications).
4) Foundation planting beds to be mulched with shredded hardwood bark mulch spread to a depth of 3".
5) Designated parking lot islands to be mulched with #2 washed stone mulch spread to a depth of 3" over weed barrier fabric.
6) Individual trees and shrub groupings in lawn areas to receive shredded hardwood bark mulch plant rings (4' diameter) spread to a depth of 3"
7) Designated planting beds to be separated from lawn areas with 5" black vinyl edge.
8) Planters to be 5' x 5' x 4' High fiberglass or masonry.
9) Owner will be responsible for landscape maintenance after completion.

S·P·S
Paul Skidmore, Landscape Architect LLC
Paul Skidmore, ASLA
Landscape Architect
13Red Maple Trail
Madison, WI 53717
(608) 826-0032
(608) 335-1529 (c)
paulskidmore@tds.net

4721 FARWELL STREET DEVELOPMENT

LANDSCAPE PLAN

SHEET: C-5

DATED: JULY 1, 2022

QUAM ENGINEERING, LLC
Residential and Commercial Site Design Consultants
www.quamengineering.com
4604 Siggelkow Road, Suite A – McFarland, Wisconsin 53558

Schedule

Symbol	Label	Image	Quantity	Manufacturer	Catalog Number	Description	Number Lamps	Lumens Per Lamp	Light Loss Factor	Wattage	Plot
	P1		2	COOPER LIGHTING SOLUTIONS - LUMARK (FORMERLY EATON)	PRV-C15-D-UNV-T4-BZ-7030-HSS	PREVAIL AREA AND ROADWAY LUMINAIRE (1) 70 CRI, 3000K LED AND TYPE IV OPTIC WITH HOUSE SIDE SHIELD, BRONZE PAINTED FINISH	1	6320	0.9	52	Max: 3855cd
	P2		3	COOPER LIGHTING SOLUTIONS - LUMARK (FORMERLY EATON)	PRV-C15-D-UNV-T4-BZ-7030	PREVAIL AREA AND ROADWAY LUMINAIRE (1) 70 CRI, 3000K LED AND TYPE IV OPTIC, BRONZE PAINTED FINISH	1	6959	0.9	52	Max: 3870cd
	WP1		1	COOPER LIGHTING SOLUTIONS - McGRAW-EDISON (FORMERLY EATON)	GWC-AF-01-LED-E1-T4W-8030	GALLEON WALL LUMINAIRE (1) 80 CRI, 3000K, 1050mA LIGHTSQUARE WITH 16 LEDS EACH AND TYPE IV WIDE OPTICS	16	322	0.9	59	Max: 4133cd

Statistics

Description	Symbol	Avg	Max	Min	Max/Min	Avg/Min
PARKING	+	0.6 fc	4.5 fc	0.0 fc	N/A	N/A

Plan View

Scale - 1" = 20ft

ACE ELECTRIC
6909 SEYBOLD RD.
MADISON, WI 53719
608.709.1480

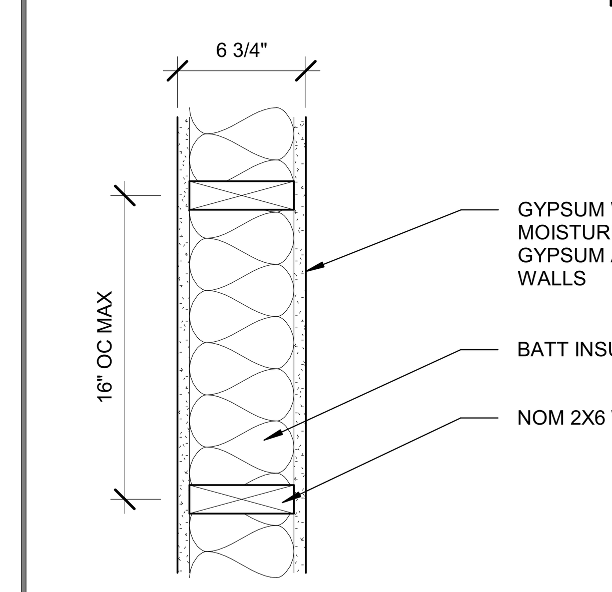
THE ATWATER
4719 FARWELL STREET
MCFARLAND, WI 53558

Designer
KYLE MCGRAW
Date
04/04/2022
Scale
1" = 20'
Drawing No.
E - 100
Summary

1 of 1

C-6

W6A



CONFIGURATIONS	W6A	W6A-B	W6A-B1	
GWB TYPE	STANDARD	STANDARD	TYPE X	
INSULATION TYPE	N/A	BATT	BATT	
FIRE RATING	N/A	N/A	1 HOUR	
FIRE TEST	N/A	N/A	UL# U305	

PARTITION TYPE NOTES:

A. SEE 2009 UNDERWRITER'S LABORATORY DIRECTORY FOR ADDITIONAL INFORMATION ON WALL RATING SPECIFICS AND ALLOWABLE MATERIALS.

B. PROVIDE TREATED WOOD AT ALL LOCATIONS WHERE WOOD IS IN CONTACT WITH CONCRETE AND/OR MASONRY.

C. PROVIDE MOISTURE RESISTANT GYPSUM BOARD AT ALL WET AREAS INCLUDING KITCHENS, BATHROOMS, AND RESTROOMS.

D. ALL GYPSUM SHALL EXTEND TO BOTTOM OF ROOF DECK OR FULL HEIGHT OF PARTITION UNLESS NOTED OTHERWISE.

GENERAL PLAN NOTES:

A. MECHANICAL, ELECTRICAL, PLUMBING AND FIRE PROTECTION IMPROVEMENTS TO BE DESIGN BUILD, UNLESS NOTED OTHERWISE. DESIGNED AS REQUIRED BY CURRENT BUILDING CODES. MEP DESIGN BUILD CONTRACTOR(S) RESPONSIBLE FOR ENSURING CODE COMPLIANT CONSTRUCTION OF NEW SYSTEMS IN TENANT SPACES.

B. PROVIDE SOUND INSULATION IN ALL DEMISING WALLS AND INTERIOR WALLS, UNLESS NOTED OTHERWISE.

C. PROVIDE ADA APPROVED THRESHOLDS AT ALL NEW FLOOR TRANSITIONS AND DOORWAYS.

D. EXTERIOR DIMENSIONS ARE FROM GRIDLINE TO GRIDLINE, OR TO EDGE OF FOUNDATION WALL UNLESS NOTED OTHERWISE. PLEASE CONTACT ARCHITECT WITH ANY DISCREPANCIES.

E. INTERIOR DIMENSIONS FOR NEW CONSTRUCTION ARE TO FACE OF FRAME OR COLUMN CENTERLINE UNLESS NOTED OTHERWISE. ALL DIMENSIONS FROM EXISTING WALLS ARE FROM FINISH FACE UNLESS NOTED OTHERWISE.

F. ALL DOORS WITH A CLOSE PROXIMITY OF A PERPENDICULAR WALL SHALL HAVE A TYPICAL DIMENSION OF 6" FROM FACE OF FRAME TO DOOR OPENING UNLESS NOTED OTHERWISE.

G. FIRE EXTINGUISHER CABINETS SHALL BE RATED TO MEET THE ASSOCIATED WALL FIRE RATING.

H. SUBMIT ALL FINISHES TO THE ARCHITECT FOR APPROVAL.

(#) KEYNOTES:

1 PATIO WALL- BRICK PIERS WITH 4'-0" HIGH ALUMINUM FENCING, FINAL FENCE SELECTION TBD. SEE DETAILS FOR BRICK PIER INFORMATION.

2 APPROXIMATE AREA OF BUILDING MECHANICALS INCLUDING SPRINKLER RISER AND BUILDING ELECTRICAL PANEL

3 ROOF DRAIN, REFER TO ROOF PLAN

4 4" CONCRETE FILLED STELL BOLLARD WITH PLASTIC SLEEVE

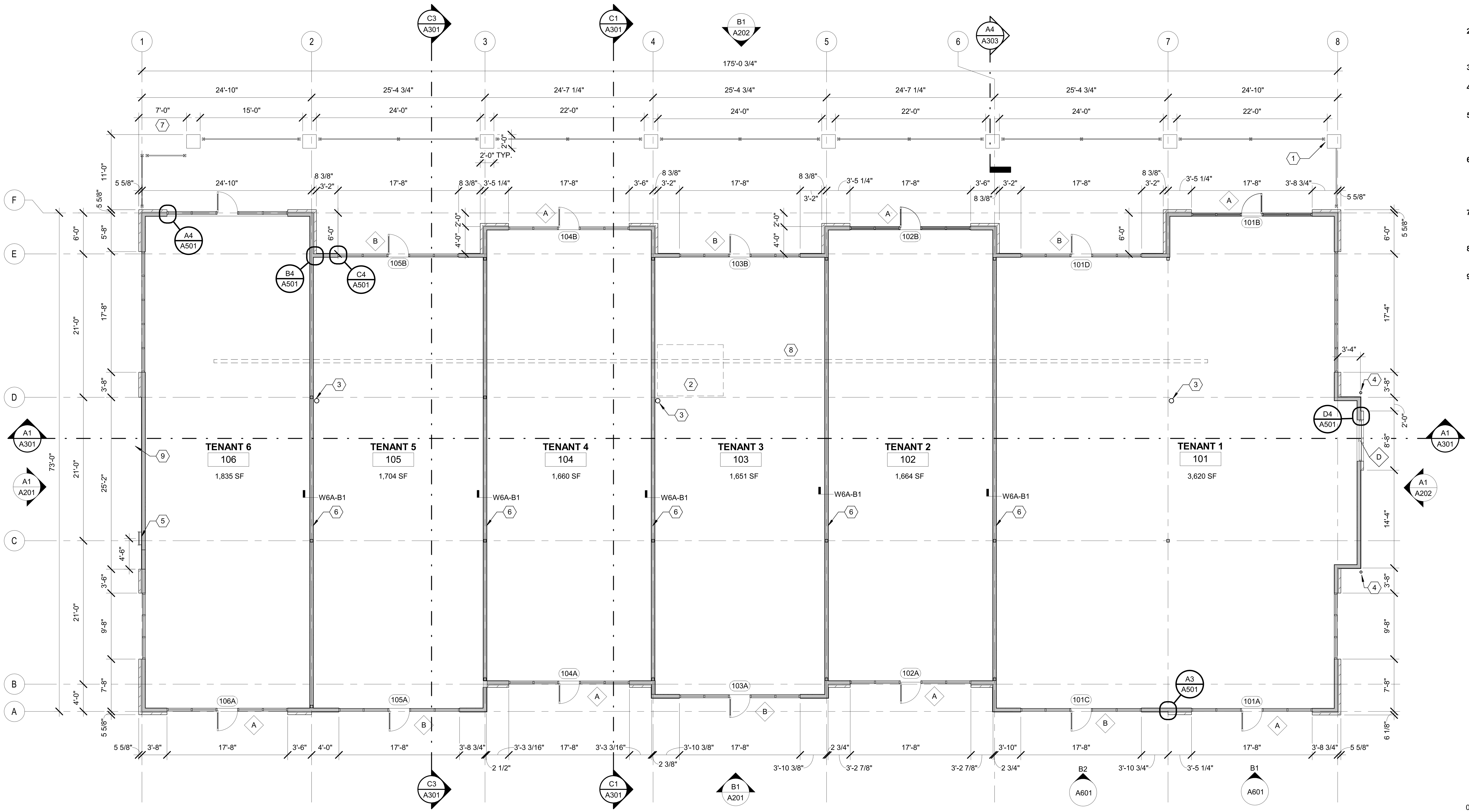
5 EXTERIOR LADDER, MODIFY WALL OVERHANG DETAIL AT TOP OF WALL TO ALLOW FOR LADDER TO PASS-THRU. LADDER TO HAVE LOCKABLE GUARD PANEL

6 TENANT DEMISING WALL SHOWN FOR REFERENCE. FINAL LOCATION TBD BASED ON FINAL TENANT SELECTION. TENANT IS RESPONSIBLE FOR GAINING SEPARATE PLAN REVIEW APPROVAL FOR THEIR TENANT IMPROVEMENT.

7 APPROXIMATE AREA OF BUILDING MECHANICALS INCLUDING SPRINKLER RISER AND BUILDING ELECTRICAL PANEL

8 SANITARY AND WATER LINES TO RUN ACROSS BUILDING IN APPROX. LOCATION SHOWN

9 WATER AND GAS METER APPROX. LOCATION



A1 FLOOR PLAN
1/8" = 1'-0"

SCALE: 1/8" = 1'-0"
PLAN NORTH

Sketchworks architecture llc
DC ENGINEERING
Careful listening. Dynamic solutions.

ATWATER - PHASE II
RETAIL SHELL BUILDING
4719 FARWELL ST
MCFARLAND, WI 53558

Project Status

2022.06.29	FOR CONSTRUCTION

PROJ. #: 22046-01

FLOOR PLAN

A101

FOR CONSTRUCTION

EXTERIOR MATERIAL SCHEDULE

#	DESCRIPTION	MANUFACTURER	TYPE/STYLE	COLOR	HEIGHT	WIDTH	COMMENTS
1	BRICK VENEER	GLEN-GERY	MODULAR	CASTILE GRAY VELOUR			VERIFY FINAL COLOR SELECTION WITH BUILDING OWNER
2	CEMENT BOARD SIDING	JAMES HARDIE	VERTICAL BOARD AND BATTEN SIDING-SMOOTH	GRAY SLATE			VERIFY FINAL COLOR SELECTION WITH BUILDING OWNER
3	CEMENT BOARD SIDING	JAMES HARDIE	VERTICAL BOARD AND BATTEN SIDING-SMOOTH	IRON GRAY			VERIFY FINAL COLOR SELECTION WITH BUILDING OWNER
4	TRIM	JAMES HARDIE	5/4" SMOOTH	ARTIC WHITE			VERIFY FINAL COLOR SELECTION WITH BUILDING OWNER
5	ALUMINUM AWNING	TBD	SOLID DECK WITH INTEGRATED DRAINAGE	CLEAR ANODIZED			BY CANOPY SUPPLIER, PROVIDE ANGLED TIE-BACKS TO BUILDING AS SHOWN
6	FABRIC AWNING	TBD	TBD	CHARCOAL GREY			BY CANOPY SUPPLIER.
7	ALUMINUM STOREFRONT	KAWNEER-BASIS OF DESIGN	-	BLACK			
8	ALUMINUM STOREFRONT	KAWNEER-BASIS OF DESIGN	-	BLACK			
9	SIGNAGE	-	-	-			PROVIDE ELECTRICAL CONNECTION AS REQUIRED BY TENANT SIGN CONTRACTOR AND BLOCKING

B1 SOUTH ELEVATION
1/8" = 1'-0"

A1 WEST ELEVATION
1/8" = 1'-0"

Sketchworks architecture llc

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ATWATER - PHASE II
RETAIL SHELL BUILDING
4719 FARWELL ST
MCFARLAND, WI 53558

Project Status

2022.06.29	FOR CONSTRUCTION

PROJ. #: 22046-01

EXTERIOR ELEVATIONS

A201

FOR CONSTRUCTION

EXTERIOR MATERIAL SCHEDULE

#	DESCRIPTION	MANUFACTURER	TYPE/STYLE	COLOR	HEIGHT	WIDTH	COMMENTS
1	BRICK VENEER	GLEN-GERY	MODULAR	CASTILE GRAY VELOUR			VERIFY FINAL COLOR SELECTION WITH BUILDING OWNER
2	CEMENT BOARD SIDING	JAMES HARDIE	VERTICAL BOARD AND BATTEN SIDING-SMOOTH	GRAY SLATE			VERIFY FINAL COLOR SELECTION WITH BUILDING OWNER
3	CEMENT BOARD SIDING	JAMES HARDIE	VERTICAL BOARD AND BATTEN SIDING-SMOOTH	IRON GRAY			VERIFY FINAL COLOR SELECTION WITH BUILDING OWNER
4	TRIM	JAMES HARDIE	5/4" SMOOTH	ARTIC WHITE			VERIFY FINAL COLOR SELECTION WITH BUILDING OWNER
5	ALUMINUM AWNING	TBD	SOLID DECK WITH INTEGRATED DRAINAGE	CLEAR ANODIZED			BY CANOPY SUPPLIER, PROVIDE ANGLED TIE-BACKS TO BUILDING AS SHOWN
6	FABRIC AWNING	TBD	TBD	CHARCOAL GREY			BY CANOPY SUPPLIER.
7	ALUMINUM STOREFRONT	KAWNEER-BASIS OF DESIGN	-	BLACK			
8	ALUMINUM STOREFRONT	KAWNEER-BASIS OF DESIGN	-	BLACK			
9	SIGNAGE	-	-	-			PROVIDE ELECTRICAL CONNECTION AS REQUIRED BY TENANT SIGN CONTRACTOR AND BLOCKING

B1 NORTH ELEVATION
1/8" = 1'-0"

A1 EAST ELEVATION
1/8" = 1'-0"

Sketchworks architecture

DC ENGINEERING
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ATWATER - PHASE II
RETAIL SHELL BUILDING
4719 FARWELL ST
MCFARLAND, WI 53558

Project Status

2022.06.29	FOR CONSTRUCTION

PROJ. #: 22046-01

EXTERIOR ELEVATIONS

A202

FOR CONSTRUCTION

1 2 3 4

D C B A

B1 3D VIEW 1

A1 3D VIEW 2

EXAMPLE IMAGE ONLY
FINAL SELECTION TBD- COLOR TO MATCH RETAIL BUILDING

DUMPSTER ENCLOSURE- VINYL PLANK

Sketchworks architecture LLC

DC ENGINEERING
Careful listening. Dynamic solutions.

ATWATER - PHASE II

RETAIL SHELL BUILDING

4719 FARWELL ST
MCFARLAND, WI 53558

Project Status

2022.06.29	FOR CONSTRUCTION

PROJ. #: 22046-01

3D Views

A900

FOR CONSTRUCTION

C&ED Director evaluation of Atwater Phase II TIF Request, 05.05.2022

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:

The general objectives of the use of TIF funds are highlighted below

- ✓ 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

The primary uses of TIF funding are highlighted below

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. Refer to Applicant's submittal for responses.

- ☑ 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 Equity of Phase II project costs = 16.5%

- ☑ 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. TIF share of Phase II project costs = 8.5%
  - ☐ 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.

    Estimated Payback Period is 10 years based on $1,932,480 assessment gaurantee as of 01.01.2024

[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. Applicant is proposing a $1,932,480 assessment gauarantee, 62.1% of the total site and building costs and 53.8% of the total project costs.

☑ 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.

Applicant has completed several infill redevelopment projects within the Village including Atwater Phase I and Farwell Place Phase I

☑ 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. To be included in DA

☑ 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. Use and general site design are consistent with the PD-I General Plan approved by the Village, Ord. 2019-13

☑ 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.

Village of McFarland		TID #5			ATWATER PHASE II PROFORMA									
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
IMPROV. DURING YEAR	BEGINNING OF YEAR VALUE	EST. GROWTH IN VALUE FROM NEW DEVELOP.[1]	CUMULATIVE VALUE	INFLATION INCREMENT[2]	END OF YEAR VALUE	TAX INCREMENT VALUE	TAX VALUE YEAR	TAX RATE[3] $1,000	TAX INCREMENT COLLECTED	COLLECTION YEAR	TID PAYMENTS[4]	ANNUAL CASH FLOW TO THE TID	CUMULATIVE PRJ FUND BALANCE	PAYMENT YEAR
2022	$228,788	$500,000	$728,788	$0	$728,788	$500,000	2023	$18.99	$9,497	2024	$8,547	$950	$950	2024
2023	$728,788	$1,203,692	$1,932,480	$0	$1,932,480	$1,703,692	2024	$18.99	$32,359	2025	$29,123	$3,236	$4,186	2025
2024	$1,932,480	$0	$1,932,480	$0	$1,932,480	$1,703,692	2025	$18.99	$32,359	2026	$29,123	$3,236	$7,421	2026
2025	$1,932,480	$0	$1,932,480	$0	$1,932,480	$1,703,692	2026	$18.99	$32,359	2027	$29,123	$3,236	$10,657	2027
2026	$1,932,480	$0	$1,932,480	$0	$1,932,480	$1,703,692	2027	$18.99	$32,359	2028	$29,123	$3,236	$13,893	2028
2027	$1,932,480	$0	$1,932,480	$0	$1,932,480	$1,703,692	2028	$18.99	$32,359	2029	$29,123	$3,236	$17,129	2029
2028	$1,932,480	$0	$1,932,480	$0	$1,932,480	$1,703,692	2029	$18.99	$32,359	2030	$29,123	$3,236	$20,365	2030
2029	$1,932,480	$0	$1,932,480	$0	$1,932,480	$1,703,692	2030	$18.99	$32,359	2031	$29,123	$3,236	$23,601	2031
2030	$1,932,480	$0	$1,932,480	$0	$1,932,480	$1,703,692	2031	$18.99	$32,359	2032	$29,123	$3,236	$26,837	2032
2031	$1,932,480	$0	$1,932,480	$0	$1,932,480	$1,703,692	2032	$18.99	$32,359	2033	$29,123	$3,236	$30,072	2033
2032	$1,932,480	$0	$1,932,480	$0	$1,932,480	$1,703,692	2033	$18.99	$32,359	2034	$29,123	$3,236	$33,308	2034
2033	$1,932,480	$0	$1,932,480	$0	$1,932,480	$1,703,692	2034	$18.99	$32,359	2035	$5,225	$27,134	$60,442	2035
2034	$1,932,480	$0	$1,932,480	$0	$1,932,480	$1,703,692	2035	$18.99	$32,359	2036	$0	$32,359	$92,801	2036
2035	$1,932,480	$0	$1,932,480	$0	$1,932,480	$1,703,692	2036	$18.99	$32,359	2037	$0	$32,359	$125,160	2037
2036	$1,932,480	$0	$1,932,480	$0	$1,932,480	$1,703,692	2037	$18.99	$32,359	2038	$0	$32,359	$157,518	2038
2037	$1,932,480	$0	$1,932,480	$0	$1,932,480	$1,703,692	2038	$18.99	$32,359	2039	$0	$32,359	$189,877	2039
2038	$1,932,480	$0	$1,932,480	$0	$1,932,480	$1,703,692	2039	$18.99	$32,359	2040	$0	$32,359	$222,236	2040
2039	$1,932,480	$0	$1,932,480	$0	$1,932,480	$1,703,692	2040	$18.99	$32,359	2041	$0	$32,359	$254,594	2041
2040	$1,932,480	$0	$1,932,480	$0	$1,932,480	$1,703,692	2041	$18.99	$32,359	2042	$0	$32,359	$286,953	2042
2041	$1,932,480	$0	$1,932,480	$0	$1,932,480	$1,703,692	2042	$18.99	$32,359	2043	$0	$32,359	$319,312	2043
2042	$1,932,480	$0	$1,932,480	$0	$1,932,480	$1,703,692	2043	$18.99	$32,359	2044	$0	$32,359	$351,670	2044
2043	$0	$0	$0	$0	$0	$1,703,692	2044	$18.99	$32,359	2045	$0	$32,359	$384,029	2045
	Totals	$1,703,692		$0					$689,029		$305,000			

ASSUMPTIONS

1. 2022 = $500,000 of the total $1,932,480 for Atwater Phase 2, 2023 remainder of value
2. No inflation or deflation of property values over life of TID
3. No increase or decrease in tax rate over life of TID
4. Return 90% of annual tax increment up to $305,000

TID DATES

Creation Date: 12-11-2017
Expenditure Period: 12-11-2039
Termination Period: 12-11-2044
Last Collection Year: 2045

$ 384,029 Net Increment
$ 2.26 Return on Investment

Village of McFarland TID #5 PROFORMA WITH ATWATER PHASE II (draft 06.28.22)

L	M	N	O	P	Q	R	S	T	V	U	Y	V	W	X	Y
PAYMENT YEAR	CAPITAL EXPENDITURE COSTS[1]	ANNUAL DEBT SERVICE[2]	INTEREST ON ADVANCES	ADMIN & OTHER COSTS[3]	TRANSFER TO TID #3[4]	TOTAL USES TID FUNDS	TAX INCREMENT COLLECTED	DEBT ISSUED / PREMIUM	WEDC GRANT	SUBSIDY FROM TID #3[5]	OTHER INCOME[6]	INVESTM INCOME[7]	TOTAL SOURCES TID FUNDS	ANNUAL CASH FLOW	TID FUND BALANCE
2017	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*
2018	*$1,056,783*	*$3,500*	*$0*	*$26,762*	*$0*	*$1,087,045*	*$0*	*$930,000*	*$0*	*$0*	*$20,283*	*$0*	*$950,283*	*($136,762)*	*($136,762)*
2019	*$0*	*$995,707*	*$0*	*$52,135*	*$0*	*$1,047,842*	*$0*	*$997,672*	*$0*	*$0*	*$39,297*	*$0*	*$1,036,969*	*($10,873)*	*($147,635)*
2020	*$600,000*	*$32,510*	*$0*	*$26,868*	*$0*	*$659,378*	*$17,708*	*$0*	*$250,222*	*$0*	*$0*	*$0*	*$267,930*	*($391,448)*	*($539,083)*
2021	*$0*	*$27,655*	*$0*	*$41,705*	*$0*	*$69,360*	*$45,936*	*$0*	*$0*	*$0*	*$0*	*$0*	*$45,936*	*($23,424)*	*($562,507)*
2022	$25,000	$76,655	$0	$48,500	$43,750	$193,905	$201,753	$0	$0	$25,000	$0	$0	$226,753	$32,848	($529,659)
2023	$0	$75,605	$0	$48,500	$43,750	$167,855	$225,072	$0	$0	$0	$0	$0	$225,072	$57,217	($472,442)
2024	$8,547	$74,505	$0	$48,500	$43,750	$175,302	$234,569	$0	$0	$0	$0	$0	$234,569	$59,267	($413,175)
2025	$29,123	$73,355	$0	$48,500	$43,750	$194,728	$261,776	$0	$0	$0	$0	$0	$261,776	$67,048	($346,127)
2026	$29,123	$73,518	$0	$48,500	$43,750	$194,890	$261,776	$0	$0	$0	$0	$0	$261,776	$66,886	($279,241)
2027	$29,123	$73,518	$0	$48,500	$131,250	$282,390	$261,776	$0	$0	$0	$0	$0	$261,776	($20,614)	($299,855)
2028	$29,123	$73,518	$0	$48,500	$0	$151,140	$261,776	$0	$0	$0	$0	$0	$261,776	$110,636	($189,219)
2029	$29,123	$73,518	$0	$48,500	$0	$151,140	$261,776	$0	$0	$0	$0	$0	$261,776	$110,636	($78,583)
2030	$29,123	$73,518	$0	$48,500	$0	$151,140	$261,776	$0	$0	$0	$0	$0	$261,776	$110,636	$32,053
2031	$29,123	$74,222	$0	$48,500	$0	$151,845	$261,776	$0	$0	$0	$0	$0	$261,776	$109,931	$141,984
2032	$29,123	$74,222	$0	$48,500	$0	$151,845	$261,776	$0	$0	$0	$0	$0	$261,776	$109,931	$251,915
2033	$29,123	$74,222	$0	$48,500	$0	$151,845	$261,776	$0	$0	$0	$0	$0	$261,776	$109,931	$361,847
2034	$29,123	$74,222	$0	$48,500	$0	$151,845	$261,776	$0	$0	$0	$0	$0	$261,776	$109,931	$471,778
2035	$5,225	$74,222	$0	$48,500	$0	$127,947	$261,776	$0	$0	$0	$0	$0	$261,776	$133,829	$605,608
2036	$0	$73,203	$0	$48,500	$0	$121,703	$261,776	$0	$0	$0	$0	$0	$261,776	$140,074	$745,681
2037	$0	$73,203	$0	$48,500	$0	$121,703	$261,776	$0	$0	$0	$0	$0	$261,776	$140,074	$885,755
2038	$0	$73,203	$0	$48,500	$0	$121,703	$261,776	$0	$0	$0	$0	$0	$261,776	$140,074	$1,025,829
2039	$0	$0	$0	$48,500	$0	$48,500	$261,776	$0	$0	$0	$0	$0	$261,776	$213,276	$1,239,105
2040	$0	$0	$0	$48,500	$0	$48,500	$261,776	$0	$0	$0	$0	$0	$261,776	$213,276	$1,452,381
2041	$0	$0	$0	$48,500	$0	$48,500	$261,776	$0	$0	$0	$0	$0	$261,776	$213,276	$1,665,657
2042	$0	$0	$0	$48,500	$0	$48,500	$261,776	$0	$0	$0	$0	$0	$261,776	$213,276	$1,878,934
2043	$0	$0	$0	$48,500	$0	$48,500	$261,776	$0	$0	$0	$0	$0	$261,776	$213,276	$2,092,210
2044	$0	$0	$0	$48,500	$0	$48,500	$261,776	$0	$0	$0	$0	$0	$261,776	$213,276	$2,305,486
2045	$0	$0	$0	$48,500	$0	$48,500	$261,776	$0	$0	$0	$0	$0	$261,776	$213,276	$2,518,763
TOTAL	**$1,986,783**	**$2,317,798**	**$0**	**$1,311,470**	**$350,000**	**$5,966,051**	**$6,222,340**	**$1,927,672**	**$250,222**	**$25,000**	**$59,580**	**$0**			
2022-2045	*$330,000*	*$1,258,426*	*$0*	*$1,164,000*	*$350,000*	*$3,102,426*	*$6,158,696*	*$0*	*$0*	*$25,000*	*$0*	*$0*			

ASSUMPTION

1. Including Developer Payments (2020 = Atwater Phase 1 $350K + $250K WEDC Grant; 2022 = $25K gateway sign, 2024-2035 = Atwater Phase 2 $305K Pay-Go Payments)
2. No new Debt Service. Remaining debt service is actual payment schedule for 2019 GO Bond (4719 Farwell Property Acquisition)
3. Administration & Professional Services Costs years 2022-2045 based on 2022 Budget
4. Transfer to TID #3 (Atwater Phase 1 Incentive = $350,000)
5. TID #3 Subsidy (2022 = US 51 Gateway Sign)
6. Other Income (Exempt Computer Aid, Licenses and Permits, Rent, Misc) years 2021-2045 based on 2022 Budget
7. Investment Income (0.0%) and Interest on Advances (0.0%)

Actual Values as reported from Wisconsin Department of Revenue TIF Valuation Reports and Village Compiled Financial Statements

TID DATES

Creation Date: 12-11-2017
Expenditure Period: 12-11-2039
Termination Period: 12-11-2044
Last Collection Year: 2045

Village of McFarland **TID #5** **ATWATER PHASE I & II PROFORMA**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
IMPROV. DURING YEAR	BEGINNING OF YEAR VALUE	EST. GROWTH IN VALUE FROM NEW DEVELOP.[1]	CUMULATIVE VALUE	INFLATION INCREMENT[2]	END OF YEAR VALUE	TAX INCREMENT VALUE	TAX VALUE YEAR	TAX RATE[3] $1,000	TAX INCREMENT COLLECTED	COLLECTION YEAR	TID PAYMENTS[4]	ANNUAL CASH FLOW TO THE TID	CUMULATIVE PRJ FUND BALANCE	PAYMENT YEAR
2017	$739,394	-$19,149	$720,245	$0	$720,245	($19,149)	2018	$20.59	($394)	2019	$0	($394)	($394)	2019
2018	$720,245	($720,245)	$0	$0	$0	($739,394)	2019	$20.06	($14,832)	2020	$381,710	($396,542)	($396,937)	2020
2019	$0	$430,744	$430,744	$0	$430,744	($308,650)	2020	$19.45	($6,003)	2021	$27,180	($33,183)	($430,120)	2021
2020	$430,744	$4,449,343	$4,880,087	$0	$4,880,087	$4,140,693	2021	$18.99	$78,645	2022	$76,655	$1,990	($428,130)	2022
2021	$4,880,087	$0	$4,880,087	$0	$4,880,087	$4,140,693	2022	$18.99	$78,645	2023	$75,605	$3,040	($425,089)	2023
2022	$4,880,087	$500,000	$5,380,087	$0	$5,380,087	$4,640,693	2023	$18.99	$88,142	2024	$83,052	$5,090	($419,999)	2024
2023	$5,380,087	$1,208,680	$6,588,767	$0	$6,588,767	$5,849,373	2024	$18.99	$111,099	2025	$57,478	$53,621	($366,378)	2025
2024	$6,588,767	$0	$6,588,767	$0	$6,588,767	$5,849,373	2025	$18.99	$111,099	2026	$102,640	$8,458	($357,920)	2026
2025	$6,588,767	$0	$6,588,767	$0	$6,588,767	$5,849,373	2026	$18.99	$111,099	2027	$102,640	$8,458	($349,462)	2027
2026	$6,588,767	$0	$6,588,767	$0	$6,588,767	$5,849,373	2027	$18.99	$111,099	2028	$102,640	$8,458	($341,003)	2028
2027	$6,588,767	$0	$6,588,767	$0	$6,588,767	$5,849,373	2028	$18.99	$111,099	2029	$102,640	$8,458	($332,545)	2029
2028	$6,588,767	$0	$6,588,767	$0	$6,588,767	$5,849,373	2029	$18.99	$111,099	2030	$102,640	$8,458	($324,087)	2030
2029	$6,588,767	$0	$6,588,767	$0	$6,588,767	$5,849,373	2030	$18.99	$111,099	2031	$103,345	$7,754	($316,333)	2031
2030	$6,588,767	$0	$6,588,767	$0	$6,588,767	$5,849,373	2031	$18.99	$111,099	2032	$103,345	$7,754	($308,579)	2032
2031	$6,588,767	$0	$6,588,767	$0	$6,588,767	$5,849,373	2032	$18.99	$111,099	2033	$103,345	$7,754	($300,825)	2033
2032	$6,588,767	$0	$6,588,767	$0	$6,588,767	$5,849,373	2033	$18.99	$111,099	2034	$103,345	$7,754	($293,071)	2034
2033	$6,588,767	$0	$6,588,767	$0	$6,588,767	$5,849,373	2034	$18.99	$111,099	2035	$79,447	$31,652	($261,419)	2035
2034	$6,588,767	$0	$6,588,767	$0	$6,588,767	$5,849,373	2035	$18.99	$111,099	2036	$73,203	$37,896	($223,523)	2036
2035	$6,588,767	$0	$6,588,767	$0	$6,588,767	$5,849,373	2036	$18.99	$111,099	2037	$73,203	$37,896	($185,627)	2037
2036	$6,588,767	$0	$6,588,767	$0	$6,588,767	$5,849,373	2037	$18.99	$111,099	2038	$73,203	$37,896	($147,731)	2038
2037	$6,588,767	$0	$6,588,767	$0	$6,588,767	$5,849,373	2038	$18.99	$111,099	2039	$0	$111,099	($36,632)	2039
2038	$6,588,767	$0	$6,588,767	$0	$6,588,767	$5,849,373	2039	$18.99	$111,099	2040	$0	$111,099	$74,466	2040
2039	$6,588,767	$0	$6,588,767	$0	$6,588,767	$5,849,373	2040	$18.99	$111,099	2041	$0	$111,099	$185,565	2041
2040	$6,588,767	$0	$6,588,767	$0	$6,588,767	$5,849,373	2041	$18.99	$111,099	2042	$0	$111,099	$296,664	2042
2041	$6,588,767	$0	$6,588,767	$0	$6,588,767	$5,849,373	2042	$18.99	$111,099	2043	$0	$111,099	$407,763	2043
2042	$6,588,767	$0	$6,588,767	$0	$6,588,767	$5,849,373	2043	$18.99	$111,099	2044	$0	$111,099	$518,861	2044
2043	$0	$0	$0	$0	$0	$5,849,373	2044	$18.99	$111,099	2045	$0	$111,099	$629,960	2045
	Totals	**$5,849,373**		**$0**					**$2,557,276**		**$1,927,316**			

ASSUMPTIONS

1. Total Phase I & II increase in property valuation = $5,49,373
2. No inflation or deflation of property values over life of TID
3. No increase or decrease in tax rate over life of TID
4. Includes principal ($930,000) and interest payments on Village land acquisition, Phase I incentive of $350,000, and Phase II incentive of $305,000

TID DATES

Creation Date: 12-11-2017
Expenditure Period: 12-11-2039
Termination Period: 12-11-2044
Last Collection Year: 2045

$	**629,960**	**Net Increment**
$	**1.33**	**Return on Investment**

Village of
McFarland

SUMMARY SHEET

MEETING DATE: **Wednesday, July 13, 2022**

SECTION: **Business**

DEPARTMENT: **Community Development**

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

AGENDA ITEM: **Discussion regarding possible amendments to the Village's Tax Increment Financing Development Incentives Policy Manual and Application.**

PREVIOUS ACTION:
The Development Incentives TIF Policy Manual & Application was approved in 2017, with some minor amendments in 2019.

ISSUE SUMMARY:
The October 6th joint meeting with the Village Board indicated a desire to evaluate some potential changes to the Village Tax Increment Financing Development Incentives Application. Some areas for possible consideration included:

- Disclaimer language.
- Adjusting the amount of incentives provided based on the type of financing requested.
- Adjusting the levels of funding provided based on development use/features (e.g. reducing incentives for market-rate multi-family development projects, greater incentives for projects with non-market rate housing, projects with sustainability features, etc.)
- Policies regarding the sale of Village-owned land (e.g. land sales below market value).
- Policies regarding payback period related to TID termination dates.
- Patterns in any past approvals related to any exceptions granted to specific criteria.
- Any desired changes to application review processes.

The CDA met on November 3rd to generally discuss these topics. Members concurred they wanted to keep the option of selling Village owned property at less than market rate as this provides a development incentive. Members also discussed considering using a tier approached to considering development incentives for mixed-use development, affordable multi-family housing development, and market-rate multi-family development. Members also concurred they would like to see more options for encouraging sustainability features (e.g. solar) rather then requiring these features as a prerequisite for receiving development incentives. Members also desired to provide clarity regarding how development incentives are approached from multi-phased projects.

The CDA met on February 2nd to review the first draft of the proposed changes to the TIF

VILLAGE OF
McFarland

Development Incentives Policy Manual and Application. General discussion included further clarifying maximum funding levels for market rate multi-family housing and merit based adjustment, considerations for the length of time a property has been blighted as additional justification for meeting the "but for" test, and other minor amendments. The CDA met on April 6th to review a second draft of the proposed changes to the TIF Development Incentives Policy Manual and Application. Discussion included the need to further define policy manual terms including "sustainable development", "quality jobs", "multi-modal transportation", "placemaking amenities" and whether merit based adjustments to the maximum assistance are in addition to standard maximum assistance criteria. The packet includes an updated track changes copy of the Policy Manual and Application. Changes from the second draft to the third draft are highlighted in yellow.

This agenda item is presented for discussion only. If there is consensus regarding the proposed revisions the next step will be to schedule a joint meeting with the Village Board to review and discuss the CDA's proposed revisions.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
This agenda item is presented for discussion only. We will utilize this meeting to discuss potential changes and any further revisions with potential action to make a recommendation to the Village Board at a future CDA meeting.

ATTACHMENTS:
1. McFarland_TIF Incentives Policy Manual and Application_07.13.22 DRAFT

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) ~~d~~Districts.

2. DISCLAIMER

Requests for TIF incentives are referred to the Village's Community Development Authority (CDA) for a recommendation to the Village Board. The Village Board has the sole authority to make final decisions regarding development incentive applications, which may or may not align with recommendations provided by the CDA. ~~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~~incentives. The ~~actual~~ amount and form of payment of TIF ~~assistance~~ incentives provided to a project will be determined at the discretion of the Village Board on the basis of existing and projected TID revenues, level of investment risk to the Village, quality of the proposed development, applicant's demonstration of meeting the "but for" requirements, ~~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~~Qualifications.

~~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.~~ Variations from this policy manual may be considered for projects that provide extraordinary benefits to the community in terms of blight elimination and infill development, increases in property tax base, job creation or retention, improvements to public infrastructure, providing mixed-use development, providing affordable housing, providing sustainable development, providing businesses and services in high demand by McFarland residents, or other advantages to the McFarland economy/community. The Village Board also ~~reserves the right to~~may reject any and all applications, even those which satisfy all of the attached ~~criteria~~ qualifications 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/TID's own financial capacity to fund the project, the scale of the project is too small, the project results in minimal public benefits or services to McFarland residents, extent by which ~~failure to meet one or more~~ evaluation ~~criteria~~qualifications are met, 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~~ TIF incentives is to stimulate (re)development of ~~commercial, industrial, multi-family (4+ units) residential, and mixed-use~~vacant, underutilized or blighted 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~~occur or would ~~only~~ occur to a lesser extent or quality under minimum zoning and building codes, "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~~Fostering the creation and retention of quality jobs (generally defined as jobs with an annual income or hourly rate at or exceeding the Per Capita Income of the Village as described in the most recent American Community Survey or other source).
- ✓ Increasing property values and tax revenues
- ✓ Fostering rehabilitation and conservation activities

- ✓ ~~Installing, constructing, or reconstructing~~Improving Village infrastructure, including utilities, streetscaping and multi-modal transportation options (generally defined as road, rail, transit, bicycle, and pedestrian infrastructure) ~~community amenities or utilities~~
- ✓ Implementing plans and development strategies adopted by the Village
- ✓ Providing high-quality affordable housing that can close the housing affordability gap (generally defined as housing units that are restricted to households with annual income at or below 60% of the Dane County Median Income)

  ~~Implementing high-quality site and building designs and materials~~

- ✓ Providing high-quality site & building designs and materials exceeding minimum zoning or building requirements, including placemaking amenities (generally defined as the inclusion of site or building amenities, exceeding minimum zoning or building requirements, that enhance the developments uniqueness, sense of place, and amenities for occupants, employees, or the public)
- ✓ Providing sustainable or green building and site development features (generally defined as the inclusion of solar, wind or geothermal energy systems, EV charging stations, LEED certified buildings, structured parking that maximizes the density on a site, green roofs that include gardens that can capture and retain stormwater, blue roofs that capture and store stormwater to mitigate runoff effects, under-parking water retention systems that capture and store stormwater to mitigate runoff effects, impervious pavement, or other stormwater management best practices that are above minimum zoning and building requirements)
- ✓ Providing infill development or serving as a catalyst for the (re)development of other adjacent properties

~~✓~~

~~5.~~4. ELIGIBLE COSTS, PROJECT TYPES & PHASES

Eligible Costs. Allowable uses of TIF development incentives may include, but are not limited to:

- ✓ Land acquisition ~~and surveying~~
- ✓ Environmental audits or remediation
- ✓ Rehabilitation of existing structures and utilities (interior or exterior)
- ✓ Demolition of buildings, remediation of soils, and site grading to bring sites to shovel ready status
- ✓ Construction costs of new building and utility improvements (interior or exterior)
- ✓ Installation of solar and geothermal energy systems, EV charging stations, or similar renewable energy improvements, sustainable building designs and green infrastructure site amenities
- ✓ Site improvements (parking, landscaping, lighting, stormwater, signage, placemaking amenities, etc.)
- ✓ Planning, surveying, legal, engineering, architectural, financing, permit costs and reasonable developer fees

Eligible Development Projects. Eligible development projects include those consisting of industrial, commercial, mixed-use, market rate multi-family residential (3+ units), or affordable housing developments within the boundaries of Village TIF districts.

Multi-Phased Development Projects. When a project involves multiple phases of new building construction, applicants may apply for TIF development incentives for each phase of development. The maximum amount of assistance, any merit-based adjustments, and payback qualifications under Section 6, will be evaluated individually for each phase at the time of submittal of the development incentives application. Where a development project is anticipated to be built in multiple phases, applicants shall provide general development plans at the time the first phase is under review in accordance with zoning requirements. Applicants are further encouraged to discuss with the Village the intent to apply for additional development incentives for future development phases. In cases where projects are buildout, but later expanded to add additional phases not original conceived, any requests for development incentives will be evaluated individually for the additional phases.

~~6.~~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).

- Tax Increment Loan at Occupancy. The Village may provide financing in the form of a tax increment 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~~e.g., within 60 days of ~~-~~receivinges a building occupancy permit from the Village). The Village reserves the right to withhold a percentage of the TIF assistance until all landscaping or other site features have ~~has~~ been installed on the property in accordance with approved site plans, even if the Village has issued the building occupancy permit. The loan is paid back through future tax increments generated from the project based on the terms of the development agreement with the applicant. The Village reserves the right to include interest on the loan as part of the Payback Period qualifications.

- 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. The Village reserves the right to include interest on the loan as part of the Payback Period qualifications.

Other forms of incentives:

- 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~~This type of financing is generally best suited for improvement projects that may generate minimal, or no tax increment value, yet provides other community benefits (e.g., installation of solar panels to an existing business, roof, sign or façade maintenance, etc.).

- Land Donations or Write-Down. Where the project involves the sale of Village property, the Village may provide a development incentive through the sale of property at less than market value. The Village reserves the right to include the value of any donated lands, or write downs, as part of the maximum assistance qualification.

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**.

~~7.~~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 financially feasible on the proposed site, or would occur to a lesser extent or timeframe, and that the public benefits described in Section 3 General Objectives would not be achieved but for the development incentive. The burden is on the requesting party to prove that the proposed project would not be feasible without Village assistance. Every other financial alternative should be explored prior to the use of TIF, including equity participation, other federal and state funds, bonds, tax credits, loans, etc.

- ☐ 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.~~e.g., pay-go and tax increment loan at occupancy) the maximum amount of assistance shall not exceed ~~30~~30% of the estimated total project costs, unless further adjusted for merit considerations below, 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.~~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~~30% of the estimated total project costs, for industrial, commercial, mixed-use, and affordable housing developments and 25% for market rate multi-family housing (non-mixed-use buildings).~~.~~

  - ☐ For Tax Increment Loan at Occupancy Agreements, the maximum amount of assistance is capped at 20% of the estimated total project costs, for industrial, commercial, mixed-use, and affordable housing developments and 15% for market rate multi-family housing (non-mixed-use buildings).

  - ☐ For Tax Increment Loan at Project Start Agreements, the maximum amount of assistance is capped at 10% of the estimated total project costs, for industrial, commercial, mixed-use, and affordable housing developments and 5% for market rate multi-family housing (non-mixed-use buildings).

  - ☐ For Traditional Loan Agreements, the maximum amount of assistance is capped at 20% of the estimated total project costs.

  Merit Based Adjustments to Maximum Assistance. In recognition of the Village's goals and priorities for the use of TIF development incentives, the following adjustments to the maximum amount of assistance may be provided:

  - ☐ Affordable Housing. For projects involving the construction of affordable housing units, the maximum amount of assistance shall be increased by 5% provided a minimum of 50% of the units are leased to households earning 60% or less of the Dane County Median Income for a minimum of 30 years, or as determined through the development agreement. In lieu of providing any applicable partial or full waivers of impact fees under the Municipal Code for affordable housing projects, the Village may elect to increase the amount of TIF assistance in lieu of providing a partial or full impact fee waiver.

- ☐ Renewable Energy Systems. For projects involving the installation of renewable energy systems, the maximum amount of assistance shall be increased by 5%, or 25% of the net cost of the renewable energy installation after applicable federal tax credits and grants, whichever is less. To be eligible, the renewable energy system must provide for at least 50% of the total electrical or natural gas consumed by the development.

Note, the maximum amount of assistance, excluding any merit-based adjustments, are further subject to adjustments in order to meet the Payback Period qualification.

- ☐ 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 than 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.
  - ☐ For Tax Increment Loan at Occupancy Agreements. Within 12 years starting with the year the loan is ~~obtained~~dispersed (i.e., within 10 years of tax increment collection from the development). For example, development construction completed in 2022 will be first valued as of January 1, 2023, with first incremental taxes collected in 2024 through 2033, or 10 years of collection ~~and no longer then the year in which the applicable TID terminates~~. In cases where the applicable TIF district has less than 12 years remaining, the Village may extrapolate whether the tax increment from the proposed development would be sufficient to retire the tax increment loan provided the TIF district would have 12 years remaining life and provided the TIF district has sufficient existing or projected fund revenues to offset any tax increment from the development project that can't be collected within 12 years due to closure of the TID.
  - ☐ For Tax Increment Loan at Project Start Agreements. Within 7 years starting with the year the loan is ~~obtained~~dispersed ~~and no longer then the year in which the applicable TID Expenditure Period ends.~~(i.e.' within 5 years of tax increment collection from the development). For example, development construction completed in 2022 will be first valued as of January 1, 2023, with first incremental taxes collected in 2024 through 2028, or 5 years of collection. In cases where the applicable TIF district has less than 7 years remaining, the Village may extrapolate whether the tax increment from the proposed development would be sufficient to retire the tax increment loan provided the TIF district would have 7 years remaining life and provided the TIF district has sufficient existing or projected fund revenues to offset any tax increment from the development project that can't be collected within 7 years due to closure of the TID.
  - ☐ For Traditional Loan Agreements. Within 12 years starting with the year the loan is ~~obtained~~ dispersed and no longer ~~then~~than 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%.

- ☐ 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,

~~[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.).~~

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 contractors 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.

☐ 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 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, or an immediate family member, ~~-~~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~~ & Fee: A completed application, fee, and escrow have been filed with the ~~Village~~ Community & Economic Development Department~~Director~~.

~~9.~~7. APPLICATION PROCEDURE

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

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

- ☐ ~~Plan Commission Referral~~Preapplication Meetings (Non-mandatory). Applicants are encouraged to meet with ~~may be referred to~~ the Community Development Authority (CDA), and/or the Village's Plan Commission, for a preapplication meeting to discuss the proposed project in order to gain better insight on how to design the project to meet the Village's TIF development incentives policies, planning objectives, and ~~and~~ applicable zoning permit requirements. Note, it is not the intent of the Plan Commission to make recommendations regarding the financing requested, only design aspects of projects. Feedback provided by the CDA and Plan Commission is non-binding.

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

- ☐ Fees and Escrow Deposit. A nonrefundable processing fee in the amount of $~~250~~ 500 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~~5,000 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~~ and development agreement. If additional expenses are incurred beyond the $5,000 the applicant shall be notified in writing and the applicant will be required to deposit additional funds upon notice. These application fees and escrow deposits are in addition to those fees and escrow deposits required for zoning permit approvals.

- ☐ Preliminary Determination of Completeness. The Village Community & Economic 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~~Staff Review. ~~The Village's Project Management Team (PMT)~~Village staff, and/or Village consultants, 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~~CDA for recommendation to the Village Board.

- ☐ ~~Community Development Authority~~CDA TIF Application 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~~Upon completion of staff review, the application and associated staff report, will be scheduled for the next available CDA meeting. The applicant will be notified of the date of the meeting(s)[2] in which the application is reviewed. Applicants, or their agents, 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

[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.

Village Board to approve, approve with conditions, deny the application, or ~~table~~ postpone action on the application pending further discussion or information by the applicant.

☐ Village Board Preliminary Approval of TIF Application. 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, or their agents, 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~~ postpone the application pending further discussion or information by the applicant. The Village Board may also refer the matter back to the CDA, or another Village committee, for further advice. *Note, at this stage in the process the Village Board may make a determination as to whether 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 and the Village Attorney shall ~~create a~~ draft a 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.

☐ Financial Background Review. Village Staff, or the Village Attorney, shall complete a financial background review of the applicant. The applicant shall work in good faith to provide financial background materials requested by the Village, including but not limited to, commercial loan commitments, credit reports, personal and business financial statements and tax returns for at least the last two years.

☐ CDA Recommendation on Development Agreement. The CDA will meet[2] to provide a recommendation to the Village Board regarding the Development Agreement.

☐ Village Board Final Approval of Development Agreement. The Development Agreement will be ~~reviewed by the~~ considered for approval by the Village Board[2]. ~~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.

Planning & Zoning Permits

Development projects are also subject to separate planning and zoning permit reviews by the Plan Commission and Village Board as applicable. Typically, these reviews will occur concurrently with the review of the TIF application. Approval processes, required permits, and meeting schedules can be reviewed during the Initial Staff Consultation.

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

Please complete and submit the following information to the Village Community & Economic 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~~Proposed Use (check all that apply): ☐ Industrial~~An Improvement to Existing Business~~ ☐ Commercial~~A New Business(s)~~
☐ Mixed-Use~~Business Relocation~~

☐ ~~Residential Development~~Market Rate Multi-Family Development ☐ ~~Other~~Affordable Housing

Project Description. ~~Include any plans or illustrations prepared for the project, if available~~Provide a description of the project. At a minimum, a concept site plan and architectural building elevations shall be submitted with the application. ~~.~~Applicants may supplement these materials by including a portfolio of similar/past projects.

Will the project incorporate any renewable energy systems, "sustainability" or "green design" concepts? Describe.

Will the project incorporate any exterior art or placemaking amenities? Describe.

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

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

Cap rate: ________________

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: ____________________ Estimated total building square footage: ~~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 existing property or 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 or less

______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-$79,000~~+~~

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

$80,000 or more

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

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

Minimum hourly wage rate (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.

~~G.~~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. Provide a 10-year projected cash flow pro forma for the project showing revenues, expenses, net operating income, and the anticipated rate of return with and without TIF assistance. Substantiate that other alternative methods of financing have been thoroughly explored. The burden is on the requesting party to prove that the proposed project would not be feasible without Village assistance. Every other financial alternative should be explored prior to the use of TIF, including equity participation, other federal and state funds, bonds, tax credits, loans, etc.

Identify any Merit Based Adjustments to Maximum Assistance and how the project qualifies:

☐ Affordable Housing ☐ Renewable Energy Systems

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

☐ Land Acquisition~~/Survey~~ ☐ Environmental Audits ☐ Surveying/Site Grading

☐ Demolition/Remediation ☐ New Construction ☐ Rehabilitation/Expansion

☐ Utility Improvements ☐ Streets/Parking/Access ☐ Landscaping/Recreation/Conservation

☐ ~~Recreation/Conservation~~Renewable Energy Systems ☐ ~~Professional Services~~Exterior Sculptures/Murals ☐ Financing Costs

☐ Professional Fees ☐ Other

~~H.~~E. PROJECT BUDGET AND FINANCIAL STRATEGY

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

Project Costs	Amount ($)	Source(s) of Financing
Property Acquisition*		
Environmental ~~testing/remediation~~Audits		
Site Grading/Soil Remediation		
Demolition/Remediation		
Construction of ~~new~~ New ~~building~~Building(s)		
Renovation of Existing Structures		
~~Site Improvements~~Utility Improvements (water, sewer, storm, etc.)		
~~Renovation of existing structures~~Streets/Parking/Access		
Landscaping/Recreation/Conservation		
Renewable Energy Systems		
~~Cost of installation of machinery/equipment~~Exterior Sculptures/Murals		
Architectural/Engineering/Surveying fees		
Legal & other professional fees		
Permit fees		
Financing fees		
Developer fees		

Other (please specify)		
Total Project Costs		

*If land will be purchased for the project, please describe the purchase price, and supply any appraisal or other documentation available that provides information relating to the fair market value of the property.

Sources of Financing	Amount ($)	Percent of Total Costs
TIF		%
Developer Equity		%
Investor 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: ____________________

~~I.~~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 & Economic Development Director
5915 Milwaukee Street
McFarland, WI 53558
P: 608-838-3153

VILLAGE OF
McFarland

SUMMARY SHEET

MEETING DATE: **Wednesday, July 13, 2022**

SECTION: **Business**

DEPARTMENT: **Community Development**

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

AGENDA ITEM: **Discussion regarding the 2021 Annual Reports for Tax Increment Districts #3, #4, and #5.**

PREVIOUS ACTION:

ISSUE SUMMARY:
Every year the Village is required by State Statute to file an Annual Report for each TIF District and to convene the Joint Review Board to review these reports. The McFarland Joint Review Board for Tax Increment Districts #3, #4, and #5 is meeting on Wednesday, July 13th at 4:00 PM to review the Annual Reports included in the packet. Traditionally, the CDA has also met to review the Annual Reports for informational purposes; however, no action is required by the CDA.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

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

ATTACHMENTS:
1. McFarland JRB Memo_2021 TID#3 Annual Reports_06.28.22
2. 13154-TID003-Annual Report-2021
3. Village of McFarland TID No 3 Report - FINAL
4. McFarland JRB Memo_2021 TID#4 Annual Reports_06.28.22
5. 13154-TID004-Annual Report-2021
6. Village of McFarland TIF No 4 Report - FINAL
7. McFarland JRB Memo_2021 TID#5 Annual Reports_06.28.22
8. 13154-TID005-Annual Report-2021
9. Village of McFarland TIF No 5 Report - FINAL

Memorandum

To: McFarland Joint Review Board (JRB), Tax Increment Districts #3
Cc: McFarland Community Development Authority

From: Andrew Bremer, Community & Economic Development Director

Date: June 28, 2022

Re: 2021 Annual Report for TID #3

Executive Summary

ACT 257 was created by the State of Wisconsin as a means to require municipalities to hold annual Joint Review Board meetings with the express purpose to review an annual report of each TIF District with the other overlying taxing jurisdictions. Several financial metrics are required to be provided in order to demonstrate the TID's performance over time. The Village is fortunate that it has been preparing this type of annual report voluntarily through its annual auditing process since at least 2006. This cover memorandum is provided as a summary of the year in review and an introduction to the financial statements and WDOR PE-300 forms prepared for the year.

TID #3 2021 Annual Report

TID #3 was created as a post 1995 Industrial TID on August 9, 2004. It is scheduled to expire on August 9, 2027, and not presently forecasted for closure prior to this date. The 2021 Tax Increment Value of the District was $47,658,500, up from $44,666,400 in 2020. TID #3 has done very well with a positive fund balance of $1,469,944 at the end of 2021. In 2021, the TID collected $930,641 in tax increment, up from $829,009 the prior year, and anticipated to increase to $965,291 in 2022. TID #3 also serves as a donor to TID #4 as authorized by the JRB on July 14, 2015. The expenditure period for TID #3 expires on August 9, 2022. The District still has about $8M in unexpended funds authorized in its Project Plan that for a variety of reasons were not able to be completed prior to the expenditure period. The Village is considering developing a new overlay TIF District to be able to continue to utilize this financial tool to revitalize blighted and underutilized properties and complete additional public works projects that were not able to be completed prior to the TID #3 expenditure period.

2021 New Project/Development Highlights:

1. 4608 Siggelkow Road. The third phase of Waubesa Village (4608 Siggelkow Road), a 27-unit apartment building, was completed. The development is expected to add ~$3.8M in value to the TID as of January 1, 2022.
2. 4908 Terminal Drive. The Village approved a fourth phase of Waubesa Village (4908 Terminal Drive), a 27-unit apartment building. This development project includes 4902 Terminal Drive, a previous Village parcel that was purchased for the purpose of redeveloping the former single-family home located on the parcel. The building is currently under construction and the full value for this fourth phase (~$3.8M) will be achieved as of January 1, 2023.
3. 4313 Triangle Street. In 2020, the Village purchased 4313 Triangle Street to eliminate blight and assemble properties near Meinders Road as previous plans had called for. In 2021, a local

business, CTW Flooring, received approval to construct a 27,000 square foot office and warehouse facility for a subsidiary business Wisco Cabinets. The building is currently under construction and the full value (~$2.35M) will be achieved as of January 1, 2023.

Exhibits: Form PE 300
Compiled Financial Statements of TID #3 prepared by Baker Tilly

Form PE-300	TID Annual Report	2021 WI Dept of Revenue

Section 1 - Municipality and TID					
Co-muni code 13154	Municipality MCFARLAND		County DANE	Due date 07/01/2022	Report type ORIGINAL
TID number 003	TID type 4	TID name MCF TID 003	Creation date 08/09/2004	Mandatory termination date 08/09/2027	Expected termination date N/A

Section 2 - Beginning Balance	Amount
TID fund balance at beginning of year	$1,193,024

Section 3 - Revenue	Amount
Tax increment	$930,641
Investment income	$669
Debt proceeds	$0
Special assessments	$0
Shared revenue	$96,437
Sale of property	$0
Allocation from another TID	
Developer guarantees	
Developer name Waubesa Village, LLC	$2,513
Developer name Ezra Properties, LLC	$25,792
Developer name High Track, LLC	$53,586
Transfer from other funds	
Grants	
Other revenue	
Total Revenue (deposits)	$1,109,638

Form PE-300	TID Annual Report	2021 WI Dept of Revenue

Section 4 - Expenditures	Amount
Capital expenditures	$973
Administration	$40,721
Professional services	$24,023
Interest and fiscal charges	$40,894
DOR fees	$150
Discount on long-term debt	$0
Debt issuance costs	$0
Principal on long-term debt	$285,000
Environmental costs	$0
Real property assembly costs	$0
Allocation to another TID	
TID number 004	$440,957
Developer grants	
Developer name Ezra Properties	$0
Transfer to other funds	
Other expenditures	
Total Expenditures	**$832,718**

Section 5 - Ending Balance	Amount
TID fund balance at end of year	**$1,469,944**
Future costs	**$22,225,915**
Future revenue	**$24,583,629**
Surplus or deficit	**$3,827,658**

Section 6 - Preparer/Contact Information	
Preparer name **Andrew Bremer**	Preparer title **Community & Economic Development Director**
Preparer email **andrew.bremer@mcfarland.wi.us**	Preparer phone **(608) 838-3154**
Contact name **Matt Schuenke**	Contact title **Village Administrator**
Contact email **matt.schuenke@mcfarland.wi.us**	Contact phone **(608) 838-2303**

Form PE-300	TID Annual Report	2021 WI Dept of Revenue

Submission Information	
Co-muni code	13154
TID number	003
Submission date	06-28-2022 01:36 PM
Confirmation	TIDAR20210383O1656441370835
Submission type	ORIGINAL

bakertilly

Village of McFarland
Tax Incremental District No. 3

Financial Statements and
Supplementary Information

December 31, 2021

Village of McFarland Tax Incremental District No. 3

Table of Contents
December 31, 2021

bakertilly

Accountants' Compilation Report

To the Village Board of
Village of McFarland

Management is responsible for the accompanying Balance Sheet, Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments and Historical Summary of Sources, Uses, and Status of Funds of the Village of McFarland's Tax Incremental District No. 3 (District) as of and for the year ended December 31, 2021 and from the date of creation through December 31, 2021, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the *Accounting and Review Services Committee* of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

As discussed in Note 1, the financial statements present only the transactions of the District and do not purport to, and do not, present fairly the financial position of the Village of McFarland as of December 31, 2021, the changes in its financial position, or, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. This information is the representation of management. This information was subject to our compilation engagement; however, we have not audited or reviewed the information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economical, or historical context.

Baker Tilly US, LLP

Madison, Wisconsin
June 29, 2022

Village of McFarland Tax Incremental District No. 3

Balance Sheet
December 31, 2021

	Capital Projects Fund
Assets	
Cash and investments	$ 908,209
Taxes receivable	965,291
Advances to village funds	562,477
Total assets	$ 2,435,977
Liabilities, Deferred Inflows of Resources and Fund Balance	
Liabilities	
Accounts payable	$ 742
Total liabilities	742
Deferred Inflows of Resources	
Unearned revenue	965,291
Total deferred inflows of resources	965,291
Fund Balance	
Restricted	1,469,944
Total liabilities, deferred inflows of resources and fund balance	$ 2,435,977

See notes to financial statements

Village of McFarland Tax Incremental District No. 3

Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered
Through Tax Increments
Year Ended December 31, 2021 and From the Date of Creation Through December 31, 2021

	Year Ended	From Date of Creation
Project Costs		
Capital expenditures	$ 973	$ 2,954,829
Developer payments	-	3,642,370
Administration (in-house)	40,871	568,166
Professional services	24,023	246,253
Subsidy to TIF No. 4	440,957	1,827,139
Interest on advance	-	38,446
Interest and fiscal charges	40,894	2,232,617
Total project costs	547,718	11,509,820
Project Revenues		
Tax increments	930,641	11,263,748
Developer guarantees	81,891	616,045
Exempt computer aid	96,437	250,751
Licenses and permits	-	8,152
Investment income	669	92,240
Interest on advances	-	14,061
Rent	-	85,849
Miscellaneous	-	5,139
Debt premium	-	43,779
Total project revenues	1,109,638	12,379,764
Net cost recoverable (recovered) through TIF increments, December 31, 2021	$ (561,920)	$ (869,944)
Reconciliation of Recoverable Costs		
G.O. debt outstanding		$ 600,000
Less fund balance		(1,469,944)
Net cost recoverable through TIF increments, December 31, 2021		$ (869,944)

See notes to financial statements

Village of McFarland Tax Incremental District No. 3

Historical Summary of Sources, Uses and Status of Funds
Year Ended December 31, 2021 and From the Date of Creation Through December 31, 2021

	Year Ended	From Date of Creation
Sources of Funds		
Tax increments	$ 930,641	$ 11,263,748
Developer guarantees	81,891	616,045
Exempt computer aid	96,437	250,751
Licenses and permits	-	8,152
Investment income	669	92,240
Interest on advances	-	14,061
Rent	-	85,849
Miscellaneous	-	5,139
Debt premium	-	43,779
Long-term debt issued	-	7,355,000
Total sources of funds	1,109,638	19,734,764
Uses of Funds		
Capital expenditures	973	2,954,829
Developer payments	-	3,642,370
Administration (in-house)	40,871	568,166
Professional services	24,023	246,253
Subsidy to TIF No. 4	440,957	1,827,139
Interest on advance	-	38,446
Interest and fiscal charges	40,894	2,232,617
Principal on long-term debt	285,000	6,755,000
Total uses of funds	832,718	18,264,820
Excess of sources of funds over uses of funds	276,920	1,469,944
Fund Balance, Beginning	1,193,024	-
Fund Balance, Ending	$ 1,469,944	$ 1,469,944

See notes to financial statements

1. Summary of Significant Accounting Policies

The accounting policies of the Village of McFarland's Tax Incremental District No. 3 (the District) conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The Village of McFarland has implemented accounting principles generally accepted in the United States of America to the extent they apply in determining the scope of the activity of Tax Incremental District No. 3. The accompanying financial statements reflect all the significant operations of the Village of McFarland's Tax Incremental District No. 3. The accompanying financial statements do not include the full presentation of the Village of McFarland.

Description of Fund Structure and Long-Term Debt

This report contains the financial information of the Village of McFarland's Tax Incremental District No. 3. The summary statements were prepared from data recorded in the following funds and the village's long-term debt:

General Fund
Capital Projects Fund

Detailed descriptions of the purpose of these funds and long-term debt can be found in the Village of McFarland's basic financial statements.

The data was consolidated for purposes of this report. Therefore, the amounts shown in the accompanying statements will not directly correlate with amounts shown in the basic financial statements.

The District was created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment.

The statutes allow the District to collect tax increments until the net project cost has been fully recovered, or until 23 years after the creation date, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the Village of McFarland. Project costs may be incurred up to five years before the unextended termination date of the District.

Original Project Plan	Creation Date	Last Date to Incur Project Costs	Last Year to Collect Increment
TID No. 3	08/09/04	08/09/22	2028

Plan Amendment	Adoption Date	Last Date to Incur Project Costs
TID No. 3	12/10/07	08/09/22

Plan Amendment	Adoption Date	Last Date to Incur Project Costs
TID No. 3	06/22/15	08/09/22

Basis of Accounting

The modified accrual basis of accounting was followed in the preparation of these statements. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Project costs, other than interest on long-term debt, are recorded when the related fund liability is incurred.

District increments are recorded as revenues in the year due. Intergovernmental aids and grants are recognized as revenues in the period the related expenditures are incurred, if applicable, or when the village is entitled to the aids.

Other general revenues are recognized when received in cash or when measurable and available under the criteria described above.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Measurement Focus

The measurement focus of all governmental funds is the funds flow concept. Under the funds flow concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as unavailable or unearned revenue or nonspendable fund equity. Liabilities for claims, judgments, compensated absences and pension contributions, which will not be currently liquidated using expendable available financial resources, are shown in the long-term debt footnote disclosure. The related expenditures are recognized when the liabilities are liquidated.

Project Plan Budget

The estimated revenues and expenditures of the District are adopted in the project plan. Those estimates are for the entire life of the District and may not be comparable to interim results presented in this report.

Long-Term Debt

Short-term liabilities are recorded as fund liabilities. All other long-term liabilities are shown in the long-term debt footnote disclosure.

Proceeds of long-term debt issues not recorded as fund liabilities are reflected as "Sources of Funds" in the operating statement of the recipient fund. Retirement of these issues is reported as an expenditure in the year in which the debt matures or is repaid, whichever is earlier.

Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments is only reported in governmental funds if it has matured. Claims and judgments are disclosed in the long-term debt footnote when the related liabilities are incurred.

2. Cash and Temporary Investments

The District invests its funds in accordance with the provisions of the Wisconsin Statutes 66.0603(1m) and 67.11(2).

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

The District, as a fund of the Village of McFarland, maintains common cash and investment accounts at the same financial institutions utilized by the Village of McFarland. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the Village of McFarland as an individual municipality, and, accordingly, the amount of insured funds is not determinable for the District.

3. Long-Term Debt

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the Village of McFarland. Notes and bonds borrowed to finance the District's expenditures will be retired by tax increments accumulated by the TIF District No. 3 fund. If those revenues are not sufficient, payments will be made by future tax levies.

Title of Issue	Date of Issue	Due Date	Interest Rates	Original Indebted-ness	Repaid	Balance 12/31/21
2004 BANS	12/28/04	12/31/09	4.50%	$ 1,535,000	$ 1,535,000	$ -
2005 BANS	05/15/05	09/01/09	3.50%	1,420,000	1,420,000	-
2008 Taxable G.O. Promissory Notes	12/15/08	12/01/17	4.50-6.15%	2,635,000	2,635,000	-
2008 G.O. Refunding Bonds	12/15/08	12/01/23	4.50-4.75%	1,415,000	815,000	600,000
2008 State Trust Fund Loan	03/25/08	03/15/23	4.75%	140,000	140,000	-
2008 G.O. Promissory Notes	12/15/08	12/01/18	4.00-4.25%	210,000	210,000	-
				$ 7,355,000	$ 6,755,000	$ 600,000

Aggregate maturities of all long-term debt relating to the District are as follows:

	Principal	Interest	Total
Years ending December 31:			
2022	$ 295,000	$ 27,000	$ 322,000
2023	305,000	13,725	318,725
Total	$ 600,000	$ 40,725	$ 640,725

4. Advances To Village Funds

In 2016, the TIF District No.3 advanced $500,000 to TIF District No. 4. The amount advanced was determined by the deficiency of revenues over expenditures and other financing sources since the District's inception. Repayment for this advance began in 2018 with interest. TIF District No. 3 was charging TIF District No. 4 interest on the advance based on the average outstanding advance balance during the year at a floating interest rate. The outstanding portion of this advance amounting to $353,944 was forgiven by TIF No. 3 as of December 31, 2021. In 2018, TIF No. 3 advanced an additional $43,763 to TIF No. 4, which was also forgiven during 2021. No interest was charged on this additional advance to TIF No. 4.

TIF No. 3 also advanced $147,635 to TIF No. 5 in 2019. In 2020, the amount of the advance to TIF No. 5 increased to $189,083. In 2021, the amount of the advance to TIF No. 5 increased to $212,477. No interest has been charged on the advance to TIF No. 5. In 2020, the TIF District No. 3 advanced $350,000 to TIF No. 5. A repayment schedule has not been established for this advance as of December 31, 2021. There is no interest being charged on the advance. The outstanding portion of this advance at December 31, 2021 was $350,000.

5. Guaranteed Revenue

High Track, LLC

During 2004, the Village of McFarland entered into a development agreement with High Track, LLC. The agreement guarantees that the developer will pay the difference between the guaranteed tax increment and the tax increment actually levied on an annual basis.

The developer agreed to construct the cold storage facility in TIF District No. 3 so that the fair market value on January 1, 2005 would generate a tax increment of $150,000. If the development generated less than $150,000, the developer would owe the village the difference. The payment would be made by the developer to the village. One-half of the payment was due on or before January 31, 2006 with the balance due on or before July 31, 2006. The actual property taxes for 2005 totaled $137,832, thus triggering a supplemental increment requirement of $12,167. Consistent with the terms of the agreement, half of the supplemental payment was due January 31, 2006 and the remaining half due July 31, 2006.

By January 1, 2006, the developer agreed that the fair market value of the facility would generate a tax increment of $225,000. If the development generates less than this amount, the developer is required to annually, thereafter, pay the village a sum, which is the difference between the increment generated and $225,000. This payment will be made semi-annually by developer to village on or before January 31 and July 31 of each succeeding year.

In May 2010, the High Track refrigerated warehousing business located at 4704 Terminal Drive was sold by High Track, LLC to Midwest Refrigerated Services, Inc. As a result of the sale and reduced demand for warehousing space due to the weak economy, the assessed valuation of the real estate decreased from $15,785,900 in 2009 to $13,600,000 in 2010. The current loan was assumed by the new owners and the annual property taxes exceeds the guaranteed annual tax increment of $225,000.

In 2021, a payment from High Track LLC for $53,586 was made to the Village. This payment was to close out the loan between the Village and the Developer upon satisfaction of the developer agreement obligations, and to allow for the sale of the property to occur.

During 2007 - 2020, the fair market value of the facility generated enough increment that no supplemental increment payment was required to be made by High Track.

Spartan Properties and 84 Lumber

The Village of McFarland also entered into development agreements with Spartan Properties and 84 Lumber under which TIF District No. 3 provided loans to facilitate two separate redevelopment projects. Both of these development agreements guarantee certain minimum assessed valuations for the properties in the year following the completion of construction. If the actual assessed values fall short of the guaranteed assessment amounts, the developers are obligated to make additional payments to the village equivalent to the property taxes that would have been due on the shortfall in valuation.

The 84 Lumber wholesale building products business located at 4414 Terminal Drive was sold in 2016. The existing loan ($29,552) from TIF District No. 3 to 84 Lumber was due upon sale and was paid in early 2017.

Partial construction on the Spartan Properties redevelopment project located at 4915 Voges Road commenced in 2012, but challenging market conditions and tight real estate lending practices make uncertain the timetable for completing full redevelopment of the site. It is anticipated, therefore, that TIF District No. 3 will remain heavily reliant on developer make-up payments in 2016 and 2017. These make-up payments are secured by a bank letter of credit and by a mortgage to the property. The village received $68,653 in make-up payments from Spartan Properties in 2016. As of 1/1/19, Spartan Properties had generated enough increment to no longer require any extra make-up payments.

Waubesa Village

In 2015, the Village of McFarland entered into a development agreement with Waubesa Village, LLC. The agreement guarantees that Waubesa Village, LLC shall pay the difference between the guaranteed tax increment and the tax increment actually levied. A makeup payment of $41,432 was made in 2017. A makeup payment of $29,953 was made in 2020. A make-up payment of $2,513 was made in 2021.

Ezra Properties

In 2019, the Village of McFarland entered into a development agreement with Ezra Properties, LLC. The agreement guarantees that TIF No. 3 will provide economic development assistance in the form of a loan in an amount up to $675,000 upon certain conditions being satisfied. The agreement guarantees that Ezra Properties, LLC shall pay the difference between the guaranteed tax increment and the tax increment actually levied for the tax year commencing January 1, 2021. In 2021, a payment of $25,792 was made by Erza to the Village. This related to a makeup payment for their development property that did not meet the required assessed value in 2021.

6. Increment Sharing

As allowable under TIF statutes, the Village of McFarland may share positive TIF increments. In 2015, the Village of McFarland and the joint review board approved sharing increments from TIF District No. 3 (donor district) to TIF District No. 4 (donee district). Transfers are reflected as recoverable costs in the donor district, and as project revenues in the donee district. Transfers were approved to begin in 2015. Transfers to date total $1,827,139. TIF increment sharing is valid for the life of the donor district or the recipient district, whichever date comes first, and the life of the donor district may not be extended. Transfers between districts are subject to various conditions in the statutes.

7. Developer Payments

Developer	Description	Year of Payment	Amount
High Track, LLC	Forgivable loan related to the construction of a cold storage facility and offices with a final completion value of approximately $9,000,000	2004	$ 1,500,000
Spartan Properties	Economic development assistance	2008	476,250
84 Lumber	Forgivable loan	2006	265,443
		2007	142,730
		2009	4,768
		2011	10,095
Waubesa Village, LLC	Economic development assistance	2016	545,584
		2018	350,800
		2019	9,200
Ezra Properties, LLC	Economic development assistance	2020	337,500

Village of McFarland Tax Incremental District No. 3

Detailed Schedule of Sources, Uses and Status of Funds
From the Date of Creation Through December 31, 2021

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Sources of Funds										
Tax increments	$ -	$ -	$ 164,170	$ 331,293	$ 462,568	$ 712,470	$ 829,770	$ 802,316	$ 753,774	$ 710,116
Developer guarantee	-	-	-	-	-	16,346	28,278	33,804	-	80,104
Exempt computer aid	-	-	3,244	8,725	6,345	3,339	7,832	15,273	13,760	10,495
Licenses and permits	-	-	8,152	-	-	-	-	-	-	-
Investment income	-	25,513	-	-	420	1,077	41	32	33	-
Interest on advance	-	-	-	-	-	2,457	555	440	598	445
Rent	-	-	4,500	10,800	10,800	10,800	10,974	11,100	11,100	11,100
Miscellaneous	-	-	-	-	-	-	-	-	238	4,679
Debt premium	-	1,545	-	-	42,234	-	-	-	-	-
Long-term debt issued	1,535,000	1,420,000	-	-	4,400,000	-	-	-	-	-
Total sources of funds	1,535,000	1,447,058	180,066	350,818	4,922,367	746,489	877,450	862,965	779,503	816,939
Uses of Funds										
Capital expenditures	464,250	627,599	245,447	19,416	216,851	21,820	134,363	1,000	143,530	239,332
Developer payments	1,500,000	-	265,443	142,730	476,250	4,768	-	10,095	-	-
Administration (in-house)	16,865	36,080	23,175	29,072	25,652	28,614	32,072	32,753	31,983	32,790
Professional services	13,301	6,560	17,175	7,744	14,711	4,728	24,836	5,398	10,687	2,819
Subsidy to TIF No. 4	-	-	-	-	-	-	-	-	-	-
Interest on advance	5,749	4,089	7,531	14,149	6,928	-	-	-	-	-
Interest and fiscal charges	28,100	32,359	173,727	115,091	212,218	270,964	208,986	194,449	178,311	160,376
Principal on long-term debt	-	-	-	-	-	3,250,000	325,000	345,000	360,000	380,000
Total uses of funds	2,028,265	706,687	732,498	328,202	952,610	3,580,894	725,257	588,695	724,511	815,317
Excess (deficiency) of sources of funds over uses of funds	(493,265)	740,371	(552,432)	22,616	3,969,757	(2,834,405)	152,193	274,270	54,992	1,622
Fund Balance (Deficit), Beginning	-	(493,265)	247,106	(305,326)	(282,710)	3,687,047	852,642	1,004,835	1,279,105	1,334,097
Fund Balance (Deficit), Ending	$ (493,265)	$ 247,106	$ (305,326)	$ (282,710)	$ 3,687,047	$ 852,642	$ 1,004,835	$ 1,279,105	$ 1,334,097	$ 1,335,719

Village of McFarland Tax Incremental District No. 3

Detailed Schedule of Sources, Uses and Status of Funds
From the Date of Creation Through December 31, 2021

	2014	2015	2016	2017	2018	2019	2020	2021	Total	Project Plan Estimate
Sources of Funds										
Tax increments	$ 704,314	$ 778,000	$ 767,184	$ 796,300	$ 821,442	$ 871,381	$ 828,009	$ 930,641	$ 11,263,748	$ 26,865,307
Developer guarantee	94,120	90,966	119,151	41,432	-	-	29,953	81,891	616,045	-
Exempt computer aid	7,114	4,784	3,988	5,466	5,547	5,681	52,721	96,437	250,751	-
Licenses and permits	-	-	-	-	-	-	-	-	8,152	-
Investment income	-	-	4,936	4,818	15,418	30,949	8,334	669	92,240	36,185
Interest on advance	416	802	4,485	-	-	2,043	1,820		14,061	-
Rent	4,675	-	-	-	-	-	-		85,849	-
Miscellaneous	-	-	-	-	-	-	222	-	5,139	447,337
Debt premium	-	-	-	-	-	-	-	-	43,779	43,779
Long-term debt issued	-	-	-	-	-	-	-	-	7,355,000	16,925,785
Total sources of funds	810,639	874,552	899,744	848,016	842,407	910,054	921,059	1,109,638	19,734,764	44,318,393
Uses of Funds										
Capital expenditures	6,139	-	-	-	358,000	-	476,109	973	2,954,829	9,639,818
Developer payments	-	-	545,584	-	350,800	9,200	337,500	-	3,642,370	5,000,000
Administration (in-house)	32,958	33,715	35,971	35,422	35,833	29,918	34,422	40,871	568,166	975,201
Professional services	11,769	10,623	29,958	17,114	14,079	11,539	19,189	24,023	246,253	-
Subsidy to TIF No. 4	-	-	843,658	-	245,470	79,213	217,841	440,957	1,827,139	4,373,416
Interest on advance	-	-	-	-	-	-	-	-	38,446	38,466
Interest and fiscal charges	140,728	122,064	101,076	66,406	66,406	66,406	54,056	40,894	2,232,617	3,538,049
Principal on long-term debt	345,000	365,000	570,000	-	-	260,000	270,000	285,000	6,755,000	16,925,785
Total uses of funds	536,594	531,402	2,126,247	118,942	1,070,588	456,276	1,409,117	832,718	18,264,820	40,490,735
Excess (deficiency) of sources of funds over uses of funds	274,045	343,150	(1,226,503)	729,074	(228,181)	453,778	(488,058)	276,920	1,469,944	
Fund Balance (Deficit), Beginning	1,335,719	1,609,764	1,952,914	726,411	1,455,485	1,227,304	1,681,082	1,193,024	-	
Fund Balance (Deficit), Ending	$ 1,609,764	$ 1,952,914	$ 726,411	$ 1,455,485	$ 1,227,304	$ 1,681,082	$ 1,193,024	$ 1,469,944	$ 1,469,944	

Village of McFarland Tax Incremental District No. 3

Detailed Schedule of Capital Expenditures and Developer Payments
From the Date of Creation Through December 31, 2021

	Actual	Estimate
Capital Expenditures		
Ivywood Trail improvements	$ 408,153	$ 408,153
Siggelkow Road improvements	367,200	420,000
Sanitary sewer, Terminal Drive	816,318	1,000,000
Street improvements, Terminal Drive (urban)	127,136	1,846,000
Storm water improvements, Terminal Drive/Triangle St	242,020	513,665
Triangle Street improvements	706,412	1,070,000
Meinders Road improvements	19,690	232,000
USH 51 landscaping	-	250,000
Planning and engineering redevelopment plan	136,077	400,000
Marketing and business recruitment incentives	500,000	1,000,000
Economic development	3,134,143	5,000,000
Land acquisition, relocation, demolition	140,050	2,500,000
Total capital expenditures	$ 6,597,199	$ 14,639,818

VILLAGE OF McFarland
Community & Economic Development
www.mcfarland.wi.us/communityandeconomicdevelopment | 5915 Milwaukee St, McFarland, WI 53558 | 608.838.3154

Memorandum

To: McFarland Joint Review Board (JRB), Tax Increment Districts #4
Cc: McFarland Community Development Authority

From: Andrew Bremer, Community & Economic Development Director

Date: June 28, 2022

Re: 2021 Annual Report for TID #4

Executive Summary

ACT 257 was created by the State of Wisconsin as a means to require municipalities to hold annual Joint Review Board meetings with the express purpose to review an annual report of each TIF District with the other overlying taxing jurisdictions. Several financial metrics are required to be provided in order to demonstrate the TID's performance over time. The Village is fortunate that it has been preparing this type of annual report voluntarily through its annual auditing process since at least 2006. This cover memorandum is provided as a summary of the year in review and an introduction to the financial statements and WDOR PE-300 forms prepared for the year.

TID #4 2020 Annual Report

TID #4 was created as a post 1995 Blight TID on January 14, 2008. In 2015 the Village requested, and the Department of Revenue approved, a Base Value Redetermination (BVR) of the District. The BVR adjusted the expenditure period deadline to January 14, 2028 and the termination date to January 14, 2033. The TID is not presently forecasted for closure prior to this date. TID #4 first began collecting increment in 2017 after not having collected any since its inception due to negative assessment growth caused by the Great Recession. This has contributed to its financial health as it has historically had very little revenue to offset operating costs from year to year. The 2021 Tax Increment Value of the District was $5,033,600, up from 4,701,700 in 2020. The expenses for this TID to date have been supported by advances from TID #3 and debt service (which was paid by the advances). In 2021 the TID posted its first positive year-end fund balance of $223,674. This was due to the Village converting the balance of TID #3 advances into a donation to TID #4. In 2021, the TID collected $97,962 in tax increment, up from $86,635 the prior year, and anticipated to increase to $101,952 in 2022. The District still has about $5.8M in unexpended funds authorized in its Project Plan that could be pursued in future years including streetscaping, land acquisition, public improvements, economic development, and marketing initiatives.

2021 New Project/Development Highlights:

1. 5817 Milwaukee Street. The Village acquired this property across from the Library and Municipal Center in 2020 and razed the prior single family home in 2021. During the pandemic the lot has been utilized by the adjacent Library for outdoor programming space. Long-term, the Village is considering construction of a public parking lot at this location to support future expansion needs of the Library and potential renovation of the Municipal Center to include a multi-generational community center in the space to be vacated by the Fire & Rescue and Police Departments as the

Village is currently constructing a new facility for these departments. The site could also be utilized for future mixed-use development if it is deemed to be not needed for parking purposes.

2. 5411 Bashford Street. The Village approved a development agreement with a local business to construct a new mixed-use development on this vacant property that was previously purchased by the Village for blight removal purposes. The development consists of a 2,500 square foot commercial business and four residential units. The development is currently under construction and is expected to add ~$1.1M in tax value to the TID as of January 1, 2023.

Exhibits: Form PE 300
Compiled Financial Statements of TID #4 prepared by Baker Tilly

Form PE-300	TID Annual Report	2021 WI Dept of Revenue

Section 1 - Municipality and TID					
Co-muni code 13154	Municipality MCFARLAND		County DANE	Due date 07/01/2022	Report type ORIGINAL
TID number 004	TID type 2	TID name MCF TID 004	Creation date 01/14/2008	Mandatory termination date 01/14/2035	Expected termination date N/A

Section 2 - Beginning Balance	Amount
TID fund balance at beginning of year	$-232,876

Section 3 - Revenue		Amount
Tax increment		$97,962
Investment income		$220
Debt proceeds		$0
Special assessments		$0
Shared revenue		$12,055
Sale of property		$0
Allocation from another TID		
TID number	003	$440,957
Developer guarantees		
Developer name	McFarland House Cafe and O'Hearn Ventures	$1,121
Transfer from other funds		
Grants		
Other revenue		
Total Revenue (deposits)		$552,315

Form PE-300	TID Annual Report	2021 WI Dept of Revenue

Section 4 - Expenditures	Amount
Capital expenditures	$3,472
Administration	$30,010
Professional services	$28,213
Interest and fiscal charges	$3,920
DOR fees	$150
Discount on long-term debt	$0
Debt issuance costs	$0
Principal on long-term debt	$30,000
Environmental costs	$0
Real property assembly costs	$0
Allocation to another TID	
Developer grants	
Developer name None	$0
Transfer to other funds	
Other expenditures	
Total Expenditures	**$95,765**

Section 5 - Ending Balance	Amount
TID fund balance at end of year	**$223,674**
Future costs	**$14,173,592**
Future revenue	**$16,514,916**
Surplus or deficit	**$2,564,998**

Section 6 - Preparer/Contact Information	
Preparer name **Andrew Bremer**	Preparer title **Community & Economic Development Director**
Preparer email **andrew.bremer@mcfarland.wi.us**	Preparer phone **(608) 838-3154**
Contact name **Matt Schuenke**	Contact title **Village Administrator**
Contact email **matt.schuenke@mcfarland.wi.us**	Contact phone **(608) 838-2303**

Form PE-300	TID Annual Report	2021 WI Dept of Revenue

Submission Information	
Co-muni code	13154
TID number	004
Submission date	06-28-2022 01:47 PM
Confirmation	TIDAR20210383O1656442041782
Submission type	ORIGINAL

Village of McFarland
Tax Incremental District No. 4

Financial Statements and
Supplementary Information

December 31, 2021

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December 31, 2021

Accountants' Compilation Report

To the Village Board of
Village of McFarland

Management is responsible for the accompanying Balance Sheet, Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments and Historical Summary of Sources, Uses, and Status of Funds of the Village of McFarland's Tax Incremental District No. 4 (District) as of and for the year ended December 31, 2021 and from the date of creation through December 31, 2021, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the *Accounting and Review Services Committee* of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

As discussed in Note 1, the financial statements present only the transactions of the District and do not purport to, and do not, present fairly the financial position of the Village of McFarland as of December 31, 2021, the changes in its financial position, or, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. This information is the representation of management. This information was subject to our compilation engagement; however, we have not audited or reviewed the information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economical, or historical context.

Baker Tilly US, LLP

Madison, Wisconsin
June 29, 2022

Village of McFarland Tax Incremental District No. 4

Balance Sheet
December 31, 2021

		Capital Projects Fund
Assets		
Cash and investments	$	164,394
Tax receivable		101,952
Loans receivable		59,311
Total assets	$	325,657
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities		
Accounts payable	$	31
Total liabilities		31
Deferred Inflows of Resources		
Unearned revenue		101,952
Total deferred inflows of resources		101,952
Fund Balance		
Unassigned		223,674
Total liabilities, deferred inflows of resources and fund balance	$	325,657

See notes to financial statement

Village of McFarland Tax Incremental District No. 4

Historical Summary of Project Costs, Project Revenues and Net Cost to Be Recovered Through Tax Increments
Year Ended December 31, 2021 and From the Date of Creation Through December 31, 2021

	Year Ended	From Date of Creation
Project Costs		
Capital expenditures	$ 3,472	$ 964,842
Developer payments	-	592,500
Administration (in-house)	30,160	389,241
Professional services	28,213	152,267
Interest on advance	-	18,580
Interest and fiscal charges	3,920	109,276
Total project costs	65,765	2,226,706
Project Revenues		
Tax increments	97,962	398,088
Developer guarantees	1,121	1,121
Exempt computer aid	12,055	30,143
Subsidy from TIF No. 3	440,957	1,827,139
Investment income	220	1,831
Loan payments	-	26,250
Miscellaneous	-	1,522
Debt premium	-	9,286
Total project revenues	552,315	2,295,380
Net costs recoverable through tax increments, December 31, 2021	$ (486,550)	$ (68,674)
Reconciliation of Recoverable Costs		
G.O. debt outstanding		$ 155,000
Add deficit fund balance		(223,674)
Net costs recoverable through tax increments, December 31, 2021		$ (68,674)

See notes to financial statements

Village of McFarland Tax Incremental District No. 4

Historical Summary of Sources, Uses and Status of Funds
Year Ended December 31, 2021 and From the Date of Creation Through December 31, 2021

	Year Ended	From Date of Creation
Sources of Funds		
Tax increments	$ 97,962	$ 398,088
Developer guarantees	1,121	1,121
Exempt computer aid	12,055	30,143
Subsidy from TIF No. 3	440,957	1,827,139
Investment income	220	1,831
Loan payments	-	26,250
Miscellaneous	-	1,522
Debt premium	-	9,286
Long-term debt issued	-	545,000
Total sources of funds	552,315	2,840,380
Uses of Funds		
Capital expenditures	3,472	964,842
Developer payments	-	592,500
Administration (in-house)	30,160	389,241
Professional services	28,213	152,267
Interest on advance	-	18,580
Interest and fiscal charges	3,920	109,276
Principal on long term debt	30,000	390,000
Total uses of funds	95,765	2,616,706
Excess of sources of funds over uses of funds	456,550	223,674
Fund Balance (Deficit), Beginning	(232,876)	-
Fund Balance, Ending	$ 223,674	$ 223,674

See notes to financial statements

1. Summary of Significant Accounting Policies

The accounting policies of the Village of McFarland's Tax Incremental District No. 4 (the District) conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The Village of McFarland has implemented accounting principles generally accepted in the United States of America to the extent they apply in determining the scope of the activity of Tax Incremental District No. 4. The accompanying financial statements reflect all the significant operations of Village of McFarland's Tax Incremental District No.4. The accompanying financial statements do not include the full presentation of the Village of McFarland.

Description of Fund Structure and Long-Term Debt

This report contains the financial information of the Village of McFarland's Tax Incremental District No. 4. The summary statements were prepared from data recorded in the following funds and the village's long-term debt:

General Fund
Capital Projects Fund

Detailed descriptions of the purpose of these funds and long-term debt can be found in the Village of McFarland's basic financial statements.

The data was consolidated for purposes of this report. Therefore, the amounts shown in the accompanying statements will not directly correlate with amounts shown in the basic financial statements.

The District was created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment.

The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or until 27 years after the creation date, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the Village of McFarland. Project costs may be incurred up to five years before the unextended termination date of the District.

Original Project Plan	Creation Date	Last Date to Incur Project Costs	Last Year to Collect Increment
TID No. 4	01/14/08	01/14/30	2035

Plan Amendment	Adoption Date	Last Date to Incur Project Costs	Last Year to Collect Increment
TID No. 4	06/22/15	01/14/30	2035

Basis of Accounting

The modified accrual basis of accounting was followed in the preparation of these statements. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Project costs, other than interest on long-term debt, are recorded when the related fund liability is incurred.

District increments are recorded as revenues in the year due. Intergovernmental aids and grants are recognized as revenues in the period the related expenditures are incurred, if applicable, or when the village is entitled to the aids.

Other general revenues are recognized when received in cash or when measurable and available under the criteria described above.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Measurement Focus

The measurement focus of all governmental funds is the funds flow concept. Under the funds flow concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as unavailable or unearned revenue or nonspendable fund equity. Liabilities for claims, judgments, compensated absences and pension contributions, which will not be currently liquidated using expendable available financial resources, are shown in the long-term debt footnote disclosure. The related expenditures are recognized when the liabilities are liquidated.

Project Plan Budget

The estimated revenues and expenditures of the District are adopted in the project plan. Those estimates are for the entire life of the District and may not be comparable to interim results presented in this report.

Long-Term Debt

Short-term liabilities are recorded as fund liabilities. All other long-term liabilities are shown in the long-term debt footnote disclosure.

Proceeds of long-term debt issues not recorded as fund liabilities are reflected as "Sources of Funds" in the operating statement of the recipient fund. Retirement of these issues is reported as an expenditure in the year in which the debt matures or is repaid, whichever is earlier.

Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments is only reported in governmental funds if it has matured. Claims and judgments are disclosed in the long-term debt footnote when the related liabilities are incurred.

2. Cash and Temporary Investments

The District invests its funds in accordance with the provisions of the Wisconsin Statutes 66.0603(1m) and 67.11(2).

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

The District, as a fund of the Village of McFarland, maintains common cash and investment accounts at the same financial institutions utilized by the Village of McFarland. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the Village of McFarland as an individual municipality and, accordingly, the amount of insured funds is not determinable for the District.

3. Long Term Debt

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the Village of McFarland. Notes and bonds borrowed to finance the District's expenditures will be retired by tax increments accumulated by the Tax Incremental District No. 4 fund. If those revenues are not sufficient, payments will be made by future tax levies.

Title of Issue	Date of Issue	Due Date	Interest Rates	Original Indebted-ness	Repaid	Balance 12/31/21
2008 G.O. Promissory Notes	12/15/08	12/01/18	4.00 - 4.25%	$ 270,000	$ 270,000	$ -
2017 G.O. Promissory Notes	07/20/17	12/01/26	1.2% - 2.2%	275,000	120,000	155,000
Total				$ 545,000	$ 390,000	$ 155,000

Aggregate maturities of all long-term debt relating to the District are as follows:

Year	Principal	Interest	Total
2022	$ 30,000	$ 3,245	$ 33,245
2023	30,000	2,570	32,570
2024	30,000	1,970	31,970
2025	30,000	1,370	31,370
2026	35,000	770	35,770
Total	$ 155,000	$ 9,925	$ 164,925

4. Advances From Village Funds

TIF District No. 3 is no longer advancing funds to TIF District No. 4. As of December 31, 2016 the village forgave all advances to TIF No. 4 with the exception of $500,000. This $500,000 represented the developer payment made in 2016 for Farwell Place. In 2017, a repayment schedule was established for the advance. Payments began in 2018 with interest. TIF District No. 3 was charging the TIF District interest on the advance based on the average outstanding advance balance during the year at a floating interest rate. As of December 31, 2021, the outstanding portion of this advance amounting to $353,944 was forgiven by TIF No. 3. An additional advance, amounting to $47,763, was also forgiven by TIF No. 3 in 2021 (See Note 6). No interest was charged on this additional advance to TIF No. 4.

5. Guaranteed Revenue

In 2015, the Village of McFarland has entered into a development agreement with Farwell Place, LLC. The agreement guarantees that Farwell Place, LLC shall pay the difference between the guaranteed tax increment and the tax increment actually levied starting in 2017. The fair market value of the development generated enough increment that no supplemental increment payment was required to be made by the developer in 2017 through 2021.

In 2020, the Village of McFarland has entered into a developer agreement with McFarland House Café (MHC) and O'Hearn Ventures. Under this agreement, TIF No. 4 will provide economic development assistance in the form of a loan in an amount up to $50,000 upon certain conditions being satisfied by MHC. The agreement guarantees that MHC shall pay the difference between the guaranteed tax increment and the tax increment actually levied for the tax year commencing January 1, 2021. During 2021, O'Hearn Ventures made a payment of $1,121 to the Village.

6. Increment Sharing

As allowable under TIF statutes, the Village of McFarland may share positive TIF increments. In 2015, the Village of McFarland and the joint review board approved sharing increments from TIF District No. 3 (donor district) to TIF District No. 4 (donee district). Transfers are reflected as recoverable costs in the donor district, and as project revenues in the donee district. Transfers were approved to begin in 2015. TIF increment sharing is valid for the life of the donor district or the recipient district, whichever date comes first, and the life of the donor district may not be extended. Transfers between districts are subject to various conditions in the statutes. Total transfers to date total $1,827,139.

7. Developer Payments

Developer	Description	Year of Payment	Amount
Washa Construction	Economic development loan/forgivable loan	2009	$ 67,500
Farwell	Economic development	2016	500,000
Hillcrest Rentals, LLC	Grant to permit the installation of an automatic fire sprinkler system	2017	25,000

Village of McFarland Tax Incremental District No. 4

Detailed Schedule of Sources, Uses and Status of Funds
From the Date of Creation Through December 31, 2021

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Sources of Funds									
Tax increments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Developer guarantees	-	-	-	-	-	-	-	-	-
Exempt computer aid	-	-	-	730	511	822	789	1,018	1,595
Subsidy from TIF No. 3	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	323
Loan payments	-	-	-	-	-	-	-	4,375	4,375
Miscellaneous	-	-	-	-	136,892	-	-	-	-
Debt premium	-	5,534	-	-	-	-	-	-	-
Long-term debt issued	-	270,000	-	-	-	-	-	-	-
Total sources of funds	-	275,534	-	730	137,403	822	789	5,393	6,293
Uses of Funds									
Capital expenditures	14,472	318,700	30,260	-	-	-	-	-	-
Developer payments	-	-	67,500	-	-	-	-	-	-
Administration (in-house)	-	-	29,385	32,026	32,709	31,954	32,415	32,958	37,942
Professional services	178	22,003	11,309	11,018	2,118	4,135	2,425	2,027	10,208
Interest on advance	-	1,668	789	555	440	598	445	416	802
Interest and fiscal charges	-	5,534	11,029	11,475	11,475	11,475	10,413	9,350	7,650
Principal on long-term debt	-	-	-	-	-	25,000	25,000	40,000	40,000
Total uses of funds	14,650	347,905	150,272	55,074	46,742	73,162	70,698	84,751	96,602
Excess (deficiency) of sources of funds over uses of funds	(14,650)	(72,371)	(150,272)	(54,344)	90,661	(72,340)	(69,909)	(79,358)	(90,309)
Fund Balance (Deficit), Beginning	-	(14,650)	(87,021)	(237,293)	(291,637)	(337,868)	(410,208)	(480,117)	(559,475)
Fund Balance (Deficit), Ending	$ (14,650)	$ (87,021)	$ (237,293)	$ (291,637)	$ (200,976)	$ (410,208)	$ (480,117)	$ (559,475)	$ (649,784)

Village of McFarland Tax Incremental District

Detailed Schedule of Sources, Uses and Status of Funds
From the Date of Creation Through December 31, 2021

	2016	2017	2018	2019	2020	2021	Total	Project Plan Estimate
Sources of Funds								
Tax increments	$ -	$ 35,522	$ 84,834	$ 93,135	$ 86,635	$ 97,962	$ 398,088	$ 7,758,702
Developer guarantees	-	-	-	-	-	1,121	1,121	-
Exempt computer aid	1,585	1,354	1,374	1,407	6,903	12,055	30,143	-
Subsidy from TIF No. 3	843,658	-	245,470	79,213	217,841	440,957	1,827,139	4,373,416
Investment income	-	-	-	677	611	220	1,831	-
Loan payments	4,375	4,375	8,750	-	-	-	26,250	58,576
Miscellaneous	-	-	1,300	-	222	-	1,522	-
Debt premium	-	3,752	-	-	-	-	9,286	5,534
Long-term debt issued	-	275,000	-	-	-	-	545,000	7,159,068
Total sources of funds	849,618	320,003	341,728	174,432	312,212	552,315	2,840,380	19,355,296
Uses of Funds								
Capital expenditures	-	240,187	206,019	14,840	136,892	3,472	964,842	1,720,000
Developer payments	500,000	25,000	-	-	-	-	592,500	5,600,000
Administration (in-house)	35,971	31,563	16,247	21,492	24,419	30,160	389,241	929,883
Professional services	7,454	14,410	21,848	1,620	13,301	28,213	152,267	-
Interest on advance	4,485	-	4,519	2,043	1,820	-	18,580	4,911
Interest and fiscal charges	5,950	3,639	7,576	5,195	4,595	3,920	109,276	1,376,436
Principal on long-term debt	140,000	-	30,000	30,000	30,000	30,000	390,000	7,159,068
Total uses of funds	693,860	314,799	286,209	75,190	211,027	95,765	2,616,706	16,790,298
Excess (deficiency) of sources of funds over uses of funds	155,758	5,204	55,519	99,242	101,185	456,550	223,674	
Fund Balance (Deficit), Beginning	(649,784)	(494,026)	(488,822)	(433,303)	(334,061)	(232,876)	-	
Fund Balance (Deficit), Ending	$ (494,026)	$ (488,822)	$ (433,303)	$ (334,061)	$ (232,876)	$ 223,674	$ 223,674	

Village of McFarland Tax Incremental District No. 4

Detailed Schedule of Capital Expenditures and Developer Payments
From the Date of Creation Through December 31, 2021

	Actual	Project Plan Estimate
Anthony Street improvements	$ -	$ 70,000
Bashford/Exchange Street intersection improvements (rail improvements)	154,979	300,000
Traffic signals Bashford and Exchange	-	150,000
Farwell Street water main improvements	210,676	100,000
Stormwater improvements/engineering	-	200,000
District-wide specialty landscaping, lighting, pedestrian amenities	406,019	500,000
Contingency	136,892	250,000
Redevelopment funding	592,500	5,600,000
Administration, planning and legal	56,276	150,000
Total capital expenditures	$ 1,557,342	$ 7,320,000

VILLAGE OF McFarland
Community & Economic Development
www.mcfarland.wi.us/communityandeconomicdevelopment | 5915 Milwaukee St, McFarland, WI 53558 | 608.838.3154

Memorandum

To: McFarland Joint Review Board (JRB), Tax Increment Districts #5
Cc: McFarland Community Development Authority

From: Andrew Bremer, Community & Economic Development Director

Date: June 28, 2022

Re: 2021 Annual Report for TID #5

Executive Summary

ACT 257 was created by the State of Wisconsin as a means to require municipalities to hold annual Joint Review Board meetings with the express purpose to review an annual report of each TIF District with the other overlying taxing jurisdictions. Several financial metrics are required to be provided in order to demonstrate the TID's performance over time. The Village is fortunate that it has been preparing this type of annual report voluntarily through its annual auditing process since at least 2006. This cover memorandum is provided as a summary of the year in review and an introduction to the financial statements and WDOR PE-300 forms prepared for the year.

TID #5 2020 Annual Report

TID #5 was created on December 11, 2017 as a Rehabilitation and Conservation District. It is scheduled to expire in 2045 and not presently forecasted for closure prior to this date. The 2021 Tax Increment Value of the District was $9,961,000, up from $2,204,700 in 2020. The year-end fund balance within the District is ($562,507). This is primarily related to initial investments in the acquisition and redevelopment of 4719 Farwell Street. In 2021, the TID collected $45,936 in tax increment, up from $17,708 the prior year, and anticipated to increase to $201,753 in 2022. The District still has about $14.6M in unexpended funds authorized in its Project Plan that could be pursued in future years including streetscaping, land acquisition, public improvements, economic development, and marketing initiatives.

2021 New Project/Development Highlights:

1. 4719 Farwell Street. The first major project for the District was the acquisition and redevelopment of 4719 Farwell Street. The first phase of this redevelopment project was completed in 2020 and consists of a 47-unit apartment building with two ground floor commercial spaces. The full value for this first phase (~$4.6M) was achieved as of January 1, 2022. The second phase for the project will be a standalone 12,000 square foot multi-tenant commercial building. Development of the second phase has been slowed due to the pandemic; however, the developers are currently seeking zoning approvals and are expected to break ground in the Fall of 2022 with completion of the building in Spring of 2023. Phase 2 is anticipated to add an additional ~$1.9M in tax value to the District.
2. 4706 Farwell Street. A small expansion of Angelo's Restaurant was approved in 2020, with construction completed in 2021. This project did not include TID incentives and will add additional tax increment to the TID in 2023.

3. 5610-14 US Highway 51. A new 5,000 square foot multi-tenant commercial building was approved in 2020, with construction completed in May of 2021. This project did not include TID incentives and will add ~$800K in value to the District with tax increment collection beginning in 2023.

Exhibits: Draft Form PE 300
Compiled Financial Statements of TID #5 prepared by Baker Tilly

Form PE-300	TID Annual Report	2021 WI Dept of Revenue

Section 1 - Municipality and TID					
Co-muni code 13154	Municipality MCFARLAND		County DANE	Due date 07/01/2022	Report type ORIGINAL
TID number 005	TID type 3	TID name MCF TID 005	Creation date 12/11/2017	Mandatory termination date 12/11/2045	Expected termination date N/A

Section 2 - Beginning Balance	Amount
TID fund balance at beginning of year	$-539,083

Section 3 - Revenue	Amount
Tax increment	$45,936
Investment income	$0
Debt proceeds	$0
Special assessments	$0
Shared revenue	$0
Sale of property	$0
Allocation from another TID	
Developer guarantees	
Transfer from other funds	
Grants	
Other revenue	
Total Revenue (deposits)	$45,936

Section 4 - Expenditures	Amount
Capital expenditures	$0
Administration	$27,324
Professional services	$14,231
Interest and fiscal charges	$27,655
DOR fees	$150
Discount on long-term debt	$0
Debt issuance costs	$0
Principal on long-term debt	$0
Environmental costs	$0
Real property assembly costs	$0
Allocation to another TID	
Developer grants	
Developer name The Atwater and Lakestone Holdings	$0
Transfer to other funds	
Other expenditures	
Total Expenditures	**$69,360**

Section 5 - Ending Balance	Amount
TID fund balance at end of year	**$-562,507**
Future costs	**$37,182,841**
Future revenue	**$43,719,200**
Surplus or deficit	**$5,973,852**

Section 6 - Preparer/Contact Information	
Preparer name **Andrew Bremer**	Preparer title **Community & Economic Development Director**
Preparer email **andrew.bremer@mcfarland.wi.us**	Preparer phone **(608) 838-3154**
Contact name **Matt Schuenke**	Contact title **Village Administrator**
Contact email **matt.schuenke@mcfarland.wi.us**	Contact phone **(608) 838-2303**

Form PE-300	TID Annual Report	2021 WI Dept of Revenue

Submission Information	
Co-muni code	13154
TID number	005
Submission date	06-28-2022 01:52 PM
Confirmation	TIDAR20210383O1656442346954
Submission type	ORIGINAL

Village of McFarland
Tax Incremental District No. 5

Financial Statements and
Supplementary Information

December 31, 2021

Table of Contents
December 31, 2021

Accountants' Compilation Report

To the Village Board of
Village of McFarland

Management is responsible for the accompanying Balance Sheet, Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments and Historical Summary of Sources, Uses, and Status of Funds of the Village of McFarland's Tax Incremental District No. 5 (District) as of and for the year ended December 31, 2021 and from the date of creation through December 31, 2021, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the *Accounting and Review Services Committee* of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

As discussed in Note 1, the financial statements present only the transactions of the District and do not purport to, and do not, present fairly the financial position of the Village of McFarland as of December 31, 2021, the changes in its financial position, or, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. This information is the representation of management. This information was subject to our compilation engagement; however, we have not audited or reviewed the information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economical, or historical context.

Baker Tilly US, LLP

Madison, Wisconsin
June 29, 2022

Village of McFarland Tax Incremental District No. 5

Balance Sheet
December 31, 2021

	Capital Projects Fund
Assets	
Taxes receivable	$ 201,753
Total assets	$ 201,753
Liabilities and Fund Balance	
Liabilities	
Accounts payable	$ 30
Advance from other fund	562,477
Total liabilities	562,507
Deferred Inflows of Resources	
Unearned revenue	201,753
Total deferred inflows of resources	201,753
Fund Balance	
Unassigned (deficit)	(562,507)
Total fund balances	(562,507)
Total liabilities, deferred inflows of resources and fund balances	$ 201,753

See notes to financial statements

Village of McFarland Tax Incremental District No. 5

Historical Summary of Project Costs, Project Revenues and Net Cost to Be Recovered Through Tax Increments
Year Ended December 31, 2021 and From the Date of Creation Through December 31, 2021

	Year Ended	From Date of Creation
Project Costs		
Capital expenditures	$ -	$ 1,306,783
Developer payments	-	350,000
Administration (in-house)	27,474	66,865
Professional services	14,231	80,605
Interest and fiscal charges	27,655	129,372
Total project costs	69,360	1,933,625
Project Revenues		
Tax increments	45,936	63,644
Intergovernmental	-	250,222
Rent	-	59,580
Debt premium	-	2,672
Total project revenues	45,936	376,118
Net cost recoverable (recovered) through TIF increments, December 31, 2021	$ 23,424	$ 1,557,507
Reconciliation of Recoverable Costs		
G.O. debt outstanding		$ 995,000
Less fund balance		562,507
Net cost recoverable through TIF increments, December 31, 2021		$ 1,557,507

See notes to financial statements

Village of McFarland Tax Incremental District No. 5

Historical Summary of Sources, Uses and Status of Funds
Year Ended December 31, 2021 and From the Date of Creation Through December 31, 2021

	Year Ended	From Date of Creation
Sources of Funds		
Tax increments	$ 45,936	$ 63,644
Intergovernmental	-	250,222
Rent	-	59,580
Debt premium	-	2,672
Long-term debt issued	-	1,925,000
Total sources of funds	45,936	2,301,118
Uses of Funds		
Capital expenditures	-	1,306,783
Developer payments	-	350,000
Administration (in-house)	27,474	66,865
Professional services	14,231	80,605
Interest and fiscal charges	27,655	129,372
Principal on long-term debt	-	930,000
Total uses of funds	69,360	2,863,625
Excess (deficiency) of sources of funds over uses of funds	(23,424)	(562,507)
Fund Balance (Deficit), Beginning	(539,083)	-
Fund Balance (Deficit), Ending	$ (562,507)	$ (562,507)

See notes to financial statements

1. Summary of Significant Accounting Policies

The accounting policies of the Village of McFarland's Tax Incremental District No. 5 (the District) conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The Village of McFarland has implemented accounting principles generally accepted in the United States of America to the extent they apply in determining the scope of the activity of Tax Incremental District No. 5. The accompanying financial statements reflect all the significant operations of Village of McFarland's Tax Incremental District No.5. The accompanying financial statements do not include the full presentation of the Village of McFarland.

Description of Fund Structure and Long-Term Debt

This report contains the financial information of the Village of McFarland's Tax Incremental District No. 5. The summary statements were prepared from data recorded in the following funds and the village's long-term debt:

Capital Projects Fund

Detailed descriptions of the purpose of this fund and long-term debt can be found in the Village of McFarland's basic financial statements.

The data was consolidated for purposes of this report. Therefore, the amounts shown in the accompanying statements will not directly correlate with amounts shown in the basic financial statements.

The District was created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment.

The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or until 27 years after the creation date, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the Village of McFarland. Project costs may be incurred up to five years before the unextended termination date of the District.

Original Project Plan	Creation Date	Last Date to Incur Project Costs	Last Year to Collect Increment
TID No. 5	12/11/17	12/11/39	2045

Basis of Accounting

The modified accrual basis of accounting was followed in the preparation of these statements. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Project costs, other than interest on long-term debt, are recorded when the related fund liability is incurred.

District increments are recorded as revenues in the year due. Intergovernmental aids and grants are recognized as revenues in the period the related expenditures are incurred, if applicable, or when the village is entitled to the aids.

Other general revenues are recognized when received in cash or when measurable and available under the criteria described above.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Measurement Focus

The measurement focus of all governmental funds is the funds flow concept. Under the funds flow concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as unavailable or unearned revenue or nonspendable fund equity. Liabilities for claims, judgments, compensated absences and pension contributions, which will not be currently liquidated using expendable available financial resources, are shown in the long-term debt footnote disclosure. The related expenditures are recognized when the liabilities are liquidated.

Project Plan Budget

The estimated revenues and expenditures of the District are adopted in the project plan. Those estimates are for the entire life of the District and may not be comparable to interim results presented in this report.

Long-Term Debt

Short-term liabilities are recorded as fund liabilities. All other long-term liabilities are shown in the long-term debt footnote disclosure.

Proceeds of long-term debt issues not recorded as fund liabilities are reflected as "Sources of Funds" in the operating statement of the recipient fund. Retirement of these issues is reported as an expenditure in the year in which the debt matures or is repaid, whichever is earlier.

Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments is only reported in governmental funds if it has matured. Claims and judgments are disclosed in the long-term debt footnote when the related liabilities are incurred.

2. Cash and Temporary Investments

The District invests its funds in accordance with the provisions of the Wisconsin Statutes 66.0603(1m) and 67.11(2).

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

The District, as a fund of the Village of McFarland, maintains common cash and investment accounts at the same financial institutions utilized by the Village of McFarland. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the Village of McFarland as an individual municipality and, accordingly, the amount of insured funds is not determinable for the District.

3. Long Term Debt

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the Village of McFarland. Notes and bonds borrowed to finance the District's expenditures will be retired by tax increments accumulated by the Tax Incremental District No. 5 fund. If those revenues are not sufficient, payments will be made by future tax levies.

Title of Issue	Date of Issue	Due Date	Interest Rates	Original Indebted-ness	Repaid	Balance 12/31/21
2018 STFL Notes	12/11/18	03/15/38	4.75%	$ 930,000	$ 930,000	$ -
2019 G.O. Refunding Bond	08/01/19	10/01/38	2.10-3.05%	995,000	-	995,000
Total				$ 1,925,000	$ 930,000	$ 995,000

Aggregate maturities of all long-term debt relating to the District are as follows:

Year	Principal	Interest	Total
2022	$ 50,000	$ 26,655	$ 76,655
2023	50,000	25,605	75,605
2024	50,000	24,505	74,505
2025	50,000	23,355	73,355
2026	50,000	22,205	72,205
2027-2031	280,000	90,338	370,338
2032-2036	325,000	46,482	371,482
2037-2035	140,000	4,270	144,270
Total	$ 995,000	$ 263,415	$ 1,258,415

4. Advances From Village Funds

In 2019, TIF No. 3 advanced $147,635 to TIF No. 5. In 2020, the amount of the advance to TIF No. 5 increased to $189,083. In 2021, the amount of the advance to TIF No. 5 increased to $212,477. No repayment schedule has been established and no interest was charged on the advance. In 2020, TIF No. 3 advanced an additional $350,000 to TIF No. 5. A repayment schedule has not been established for this advance and no interest was charged. The outstanding portion of this advance was $350,000 as if December 31, 2021.

5. Guaranteed Revenue

The Atwater and Lakestone Holdings

In 2019, the Village of McFarland entered into a development agreement with The Atwater, LLC and Lakestone Holdings, LLC under which TIF No. 3 will provide economic development assistance in the form of a loan in an amount up to $350,000 upon certain conditions being satisfied by The Atwater, LLC. The agreement guarantees that The Atwater, LLC shall pay the difference between the guaranteed tax increment and the tax increment actually levied for the tax year commencing January 1, 2022. Lakestone Holdings, LLC drew on the loan for the full amount in 2020.

Village of McFarland Tax Incremental District No. 5

Detailed Schedule of Sources, Uses and Status of Funds
From the Date of Creation Through December 31, 2021

	2018	2019	2020	2021	Total	Project Plan Estimate
Sources of Funds						
Tax increments	$ -	$ -	$ 17,708	$ 45,936	$ 63,644	$ 29,747,490
Intergovernmental	-	-	250,222	-	250,222	-
Investment income	-	-	-	-	-	40,439
Rent	20,283	39,297	-	-	59,580	-
Debt premium	-	2,672	-	-	2,672	-
Long-term debt issued	930,000	995,000	-	-	1,925,000	16,232,389
Total sources of funds	950,283	1,036,969	267,930	45,936	2,301,118	46,020,318
Uses of Funds						
Capital expenditures	1,056,783	-	250,000	-	1,306,783	3,450,000
Developer payments	-	-	350,000	-	350,000	12,782,389
Administration (in-house)	900	17,547	20,944	27,474	66,865	104,500
Professional services	25,862	34,588	5,924	14,231	80,605	104,500
Interest on advance	-	-	-	-	-	1,193,883
Interest and fiscal charges	3,500	65,707	32,510	27,655	129,372	6,178,805
Principal on long-term debt	-	930,000	-	-	930,000	16,232,389
Total uses of funds	1,087,045	1,047,842	659,378	69,360	2,863,625	40,046,466
Excess (deficiency) of sources of funds over uses of funds	(136,762)	(10,873)	(391,448)	(23,424)	(562,507)	
Fund Balance (Deficit), Beginning	-	(136,762)	(147,635)	(539,083)	-	
Fund Balance (Deficit), Ending	$ (136,762)	$ (147,635)	$ (539,083)	$ (562,507)	$ (562,507)	

Village of McFarland Tax Incremental District No. 5

Detailed Schedule of Capital Expenditures and Developer Payments
From the Date of Creation Through December 31, 2021

	Actual	Project Plan Estimate
Capital Expenditures		
Infrastructure, Farwell, Retention Pond, Blackwater Channel	$ 1,170,809	$ 3,050,000
Streetscaping improvements	135,974	400,000
Development funds/incentives	350,000	12,782,389
Total capital expenditures	$ 1,656,783	$ 16,232,389

VILLAGE OF
McFarland

SUMMARY SHEET

MEETING DATE: **Wednesday, July 13, 2022**

SECTION: **Business**

DEPARTMENT: **Community Development**

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

AGENDA ITEM: **Discussion regarding East Side Neighborhood Plan update.**

PREVIOUS ACTION:

ISSUE SUMMARY:
The Community & Economic Development Department will be holding two public involvement forums this month on July 14th and July 28th at 6:00pm. These meetings will be held online only. Refer to the press release in the meeting packet for more information. Members of the CDA are encouraged to participate in the meeting.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

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

ATTACHMENTS:
1. Press Release-Public Involvement Forums_July 2022

www.mcfarland.wi.us | 5915 Milwaukee St, McFarland, WI 53558 | 608-838-3153

FOR IMMEDIATE RELEASE
June 28, 2022

Contact: Andrew Bremer, AICP
Community & Economic Development Director
Phone: 608-838-3154
Email: andrew.bremer@mcfarland.wi.us

Village of McFarland to Hold Two Community Development Public Involvement Forums, July 14 & 28, 2022 at 6:00 PM

McFarland, Wis – The Village of McFarland is in the process of updating its 2008 East Side Neighborhood Growth Area Plan with assistance from the Village's planning consultants MSA Professional Services and Redevelopment Resources. The East Side Plan is a component, or subarea plan, of the Village's Comprehensive Land Use Plan. The East Side Plan provides general and detailed recommendations regarding the character of future development on the Village's east side including the location, type, density, and intensity of a variety of land uses including residential, commercial, industrial, parks, trails, and open spaces. The recommendations within the East Side Plan are used to guide short and long-term investments in future growth and preservation areas of the Village and is used to assist in the review and approval of development requests, subdivision reviews, and zoning amendments within the boundaries of the plan.

As a part of the planning process, the Village is conducting two Public Involvement Forums asking for residents' input and priorities related to future growth of the Village. The first forum will be held on Thursday, July 14th starting at 6:00 PM. This forum will include review and discussion of the current Village-wide housing stock and business climate. The Village's consultants are preparing a Village-wide housing study and business market analysis to inform future land use planning projects throughout the Village, including the East Side planning area.

The second forum will occur two weeks later on Thursday, July 28th starting at 6:00 PM. This forum will include discussions regarding specific land use planning within the Village's East Side planning area. Individuals are encouraged to attend both forums.

Videos of both forums will be provided on the Village's project website, along with comment forms, for individuals that are not able to attend one or both forums. These will be held **online only** using the Zoom links provided below. Individuals may register in advance of the forum or at the time of entry using the links below.

Thursday, July 14, 2022, 6:00 PM, Forum 1: https://tinyurl.com/McFarlandForum1

Thursday, July 28, 2022, 6:00 PM, Forum 2: https://tinyurl.com/McFarlandForum2

Input from the forums will supplement responses to the community survey completed in May. For additional information on the East Side planning process and study area please visit the Village's website at www.mcfarland.wi.us/eastsideplan.

VILLAGE OF McFarland

SUMMARY SHEET

MEETING DATE: **Wednesday, July 13, 2022**

SECTION: **Business**

DEPARTMENT: **Administration**

CONTACT: **Matt Schuenke, Village Administrator**

AGENDA ITEM: **Discussion on transition of the Village's meeting format effective August 1, 2022.**

PREVIOUS ACTION:

ISSUE SUMMARY:

On June 28, 2022, the Village Board approved all Village Board, Committees and Commission transitioning back to in-person meetings effective August 1, 2022. In discussion, the Village Board felt it was time for all Boards, Committees and Commission members of the Village to return in person. In reviewing neighboring communities, the Village is one of the few who have not yet transitioned back in-person due to the pandemic.

Secondary staff, consultants, and Board, Commission, Committee members not able to attend in-person may still attend via Zoom moving forward. It is important to note for those members who cannot attend in-person and will be attending via Zoom, there will not be anymore Zoom panelists' emails sent. Members, consultants, and staff attending via zoom will access the meeting link on the agenda, and the Zoom host will promote them.

FINANCIAL/BUDGET IMPACT:

None.

VILLAGE PLAN REFERENCE:

None.

ORDINANCE REFERENCE:

None.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

None.

ATTACHMENTS:

None