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

**Wednesday, October 12, 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/86454532686

Or by Telephone: +1 (312) 626-6799
Webinar ID: 864 5453 2686
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 September 14, 2022 joint Community Development Authority and Village Board meeting.

4. BUSINESS.
   a. Discussion and possible recommendation to the Village Board regarding Amendment 1 to the Development Agreement, McFarland House Cafe, Inc., and O'Hearn Ventures LLC.

   b. Discussion and possible recommendation to the Village Board regarding Amendment 1 to the Atwater LLC Development Agreement

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

5. SCHEDULE NEXT MEETING DATE.
   a. Wednesday November 9, 2022 @ 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.

# Joint Community Development Authority

# & Village Board

# Working draft -MINUTES

# September 14, 2022

Members Present: Austen Conrad, Dan Kolk, Kristin Ellis, Stephanie Brassington, Ken Brost, TJ Jerke

Members Absent:

Village Board Present: TJ Jerke, Carolyn Clow, Mike Flaherty, Ed Wreh, Stephanie Brassington, Hilary Brandt

Excused: Carrie Nelson

Staff Present: Andrew Bremer, Karen Knoll

1. CALL TO ORDER

Clow called the Village Board to order at 7:15 p.m.
Brassington called the meeting to order at 7:15 pm.

2. PUBLIC APPEARANCES

None

3. APPROVAL OF MINUTES

a. Review and possible approval of the Community Development Authority draft minutes from the July 13, 2022 meeting.

Brassington moved to approve the July 13, 2022 Community Development Authority minutes. Brost seconded the motion. Motion carried 6-0.

4. BUSINESS.

a. Discussion regarding possible amendments to the Village's Tax Increment Financing Development Incentives Policy Manual and Application.
Clow reviewed that this meeting came about as members of the Village Board had indicated they wanted to better understand what was in the TIF Incentive Policy Manual and Application and their desire to meet with CDA for how it was applied.

Bremer indicated the purpose of tonight's meeting was for discussion only there is no action to be taken. It is to discuss the TIF Policy Manual and its related application. The purpose of the document is to guide requests for incentives. Bremer reviewed the history of the manual with attendees. It was decided to see if there were areas needing change about one year ago, along with a general overview of possible areas of change. Included in packets is a redline copy of all of the proposed changes to date of the policy manual. The proposed changes are a combination of staff and Community Development Authority meetings.

Bremer shared his screen showing the fourth draft with the proposed changes, going through each area section by section with Village Board and Community Development Authority members. They are not trying to be overly prescriptive but more of guardrail offering the ability for negotiations. They are trying to provide guidance so the applicant see what is important to the Village, but they do not have to check all of the boxes of what the Village is looking for. Bremer summarized the general timeline is after tonight's meeting the proposed changes and draft will go back to the CDA who will then send their recommendation to the Village Board.

Village Board members and CDA members discussed the draft TIF Incentive Policy Manual and Application and its proposed changes as presented by Bremer.

Clow summarized the next steps in the approval process and indicated a lot of time and effort has gone in to this. If anyone had specific concerns they can always reach out to Bremer. Kolk summarized the history of the CDA and TID's and how the goal has always been to use incentives for projects which would not have taken place through a more natural process, TID financing is not the same as bank financing.

Village Board members and CDA members discussed and summarized their thoughts and feelings about TIF Districts, incentives offered to developers and what fits the Villages plans and needs.

7. SCHEDULE NEXT MEETING DATE.

a. Tuesday September 20, 2022 at 7:15 pm. (Joint Plan Commission CDA meeting)

b. Wednesday October 12, 2022 at 7:00 p.m. (Regular CDA meeting)

8. ADJOURNMENT.

Brassington moved to adjourn the Community Development Authority. Brost seconded the motion. Motion carried 6-0. Meeting adjourned at 8:56 p.m.

Clow moved to adjourn the Village Board. Jerke seconded the motion. Motion carried 6-0. Meeting adjourned at 8:56 p.m.

VILLAGE OF
McFarland

# SUMMARY SHEET

**MEETING DATE:** **Wednesday, October 12, 2022**

**SECTION:** **Business**

**DEPARTMENT:** **Community Development**

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

**AGENDA ITEM:** **Discussion and possible recommendation to the Village Board regarding Amendment 1 to the Development Agreement, McFarland House Cafe, Inc., and O'Hearn Ventures LLC.**

**PREVIOUS ACTION:**
September 14, 2020, Approval of the Development Agreement

**ISSUE SUMMARY:**
Shaun O'Hearn is requesting partial payment ($40,000) of the $50,000 TIF Loan for the improvements (sprinkler system and two additional apartments) made at the McFarland Cafe as part of his existing development agreement with the Village. Article III of the development agreement includes a number of provisions related to when the TIF funds are dispersed, including *"MHC or O'Hearn shall have obtained final inspection approval for the entire Project and received an occupancy permit from the Village's Building Inspector"*. "Project" is defined as *"the addition of 2 residential units on the property and upgrading of water service for fire sprinkler installation."* The water service/sprinkler installation is complete, and the two residential units have been built/furnished; however, O'Hearn doesn't have occupancy for one of the units as he has been waiting for the arrival of a needed electrical component. The other residential unit received an occupancy permit in May. The date of delivery of the electrical component has been delayed several times and the final date of delivery is now unknown. In recognition of the substantial work completed within the terms of the development agreement, Staff recommends approving the partial release of funds as requested, with the remaining $10,000 provided when the second residential unit receives its occupancy permit. The partial release of funds is in keeping with previous TIF Loans for larger development projects where partial funding was provided after certain construction milestones were reached, with the final 20% provided after an occupancy permit was issued.

**FINANCIAL/BUDGET IMPACT:**

**VILLAGE PLAN REFERENCE:**

**ORDINANCE REFERENCE:**

**BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:**
Motion to recommend to the Village Board approval of Amendment 1 to the Development Agreement, McFarland House Cafe, Inc., and O'Hearn Ventures LLC as presented.

VILLAGE OF
McFarland

**ATTACHMENTS:**

1. O'Hearn DA Amendment Request
2. Amendment 1 to Ohearn Ventures Development Agreement

**From:** mcfarlandcafe@gmail.com
**To:** Andrew Bremer
**Cc:** Carolyn Clow
**Subject:** DA Amendment
**Date:** Monday, September 26, 2022 6:48:05 PM

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Mr. Bremer,

I am requesting an amendment to the Development Agreement between the Village of McFarland and McFarland House Café Inc. for partial early repayment of funds due to ongoing supply chain issues in the amount of $40,000 with the remaining $10,000 to be repaid upon full completion of the project, and occupancy as outlined in the original agreement. McFarland House Café Inc. agrees to compensate the Village of McFarland for the attorney time to draft the amendment.

The project has been completed to the fullest extent possible, minus one electrical component that has been on back-order since December of 2021. The electrical contractor has been in communication with the manufacturer and has been unable to receive a shipping commitment. What turned out as an eight to ten week lead time has now eclipsed ten months with no end in sight. The first of the two units has been given occupancy as of May of 2022 and the second unit is complete and furnished, but still without power.

Thank you for your time and consideration,

Shaun O'Hearn
McFarland House Café Inc.
608-217-6356
Sent from Mail for Windows

**AMENDMENT 1 TO**
**DEVELOPMENT AGREEMENT**

**McFarland House Café, Inc.**
**O'Hearn Ventures, LLC**
**Village of McFarland**

This Amendment ("Amendment") is entered into effective on the ___ day of October, 2022, by and between the Village of McFarland, a Wisconsin municipal corporation ("Village"), whose principal address is 5915 Milwaukee Street, McFarland, WI 53558, McFarland House Café, Inc., a Wisconsin corporation having its principal office at 5205 Linden Parkway, McFarland, Wisconsin ("MHC"), and Ohearn Ventures, LLC, a Wisconsin limited liability company, with offices located at 5205 Linden Parkway, McFarland, Wisconsin, ("O'Hearn").

## RECITALS

A. Village, MHC and O'Hearn entered into a Development Agreement ("Agreement") as of the 14th day of September 2020, providing for the redevelopment by MHC of a parcel of commercial real estate located at 5923 Exchange Street, McFarland, Wisconsin designated as tax parcel no. 154/0610-031-6926-9 (the "Property") and the provision by the Village of Tax Incremental Financing assistance in connection therewith.

B. The Agreement provides for the disbursement of a loan in the amount of $50,000 (the "TIF Loan") contingent upon MHC's completion of the promised construction, receipt of an occupancy permit for the entire project, and the submission to the Village of certain documentation as identified therein.

C. MHC has complete most of the required construction, but has been unable to obtain an occupancy permit for part of the development due to the unavailability of certain materials needed for full completion thereof.

D. MHC has requested, and the Village has agreed, that a portion of the TIF Loan will be disbursed at this time as an advance payment, with the balance to be disbursed upon receipt of the final occupancy permit.

## AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, and the mutual promises and covenants contained herein and in the Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the parties agree as follows:

1. Notwithstanding the provisions of Section III.B(1) of the Agreement, the Village shall disburse to MHC the sum of Forty Thousand Dollars ($40,000) of the TIF Loan within fifteen (15)

days after the receipt by the Village of the insurance certificate(s) required by Section III.B(2) of the Agreement and the additional documents required by Section III.C thereof.

2. The undisbursed balance of the TIF Loan shall be disbursed to MHC in accordance with the terms of Section III.B and III.C of the Agreement.

3. Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals on the date and year first written above.

**MHC:**

**McFarland House Café, Inc.**

By:_____
Shaun T. O'Hearn, President

**O'Hearn:**

**Ohearn Ventures, LLC**

By:_____
Shaun T. O'Hearn, Member

**VILLAGE OF McFARLAND**

By:_____
Carolyn A. Clow, Village President

By:_____
Cassandra Suettinger, Deputy Administrator/
Clerk-Treasurer

The undersigned, as individual guarantor of the obligations under the Agreement, acknowledges and approves the foregoing Amendment and consents to the same.

_____
Shaun T. O'Hearn, individually

VILLAGE OF
McFarland

# SUMMARY SHEET

**MEETING DATE:** **Wednesday, October 12, 2022**

**SECTION:** **Business**

**DEPARTMENT:** **Community Development**

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

**AGENDA ITEM:** **Discussion and possible recommendation to the Village Board regarding Amendment 1 to the Atwater LLC Development Agreement**

**PREVIOUS ACTION:**

**ISSUE SUMMARY:**
Lakestone and One Community Bank are requesting the Village subordinate its TIF loan of $350,000 for the Atwater Phase 1 development to the $305,000 TIF Loan and $400,000 commercial construction bridge loan related to the construction of the Atwater Phase 2. The packet includes a summary letter from One Community Bank, a draft of the subordination agreement and a draft of the development agreement amendment. Staff recommends approval of the request contingent on review by the Village Attorney prior to Village Board action on the request.

**FINANCIAL/BUDGET IMPACT:**
October 30, 2019 approval of Phase 1 Development Agreement

**VILLAGE PLAN REFERENCE:**

**ORDINANCE REFERENCE:**

**BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:**
Motion to recommend to the Village Board approval of the Amendment 1 to the Atwater LLC Development Agreement as requested, contingent on final review by the Village Attorney prior to Village Board action on the request.

**ATTACHMENTS:**
1. Amendment 1 to Atwater LLC Development Agreement
2. Village Letter Atwater Phase II 2022-10-05
3. Blank Subordination Agreement
4. THE ATWATER LLC_Title Work (4)

**AMENDMENT 1 TO**
**DEVELOPMENT AGREEMENT**

**The Atwater, LLC**
**Village of McFarland**

This Amendment ("Amendment") is entered into effective on the ___ day of October, 2022, by and between the Village of McFarland, a Wisconsin municipal corporation ("Village"), whose principal address is 5915 Milwaukee Street, McFarland, WI 53558, The Atwater LLC, a Wisconsin limited liability company, with offices located at 5910 Main Street, McFarland 53558-8946 ("Lakestone") and Lakestone Holdings LLC, a Wisconsin limited liability company ("Holdings").

## RECITALS

A. Village, Lakestone and Holdings entered into a Development Agreement ("Agreement") as of the 30th day of October, 2019, providing for the development (Atwater Phase 1) by Lakestone of a parcel of commercial real estate located at 4721 Farwell Street, McFarland, Wisconsin designated as tax parcel no. 154/0610-032-7021-1, Lot 2 of CSM 15246 (the "Property") and the provision by the Village of Tax Incremental Financing assistance in connection therewith.

B. The Agreement provides for the subordination of the Village's $350,000 TIF Loan to a first mortgage and related security interests to secure a letter of credit or loan in the original principal sum not to exceed Five Million Eight Hundred Ten Thousand Dollars ($5,810,000).

C. Lakestone has received approval from the Village providing for the development (Atwater Phase 2) by Lakestone of a parcel of commercial real estate located at 4719 Farwell Street, McFarland, Wisconsin designated as tax parcel no. 154/0610-032-7021-1, Lot 1 CSM 15246, including a TIF loan of $305,000 for Atwater Phase 2.

D. Lakestone has requested, and the Village has agreed, to subordinate the Village's $350,000 2nd mortgage recorded on 4721 Farwell Street to the $305,000 TIF loan and $400,000 commercial loan for Atwater Phase 2.

## AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, and the mutual promises and covenants contained herein and in the Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the parties agree as follows:

1. Amendment to Suborindation Terms: Article IV, Section G. of the Development Agreement is hereby amended to read as follows:

DRAFT

G. The Village's rights in the Project Site arising in connection with the TIF Loan shall be subordinate to a first mortgage and related security interests to secure a letter of credit or loan in the original principal sum not to exceed Five Million Eight Hundred Ten Thousand Dollars ($5,810,000) and to the $305,000 TIF loan and $400,000 commercial loan for Atwater Phase 2. Upon reasonable request by Lakestone or its lender, the Village shall execute a recordable instrument evidencing such subordination. The Village's subordination agreement shall not apply to any subsequent advances made by the mortgage lender after the disbursement by the lender of the original principal loan amount without the written consent of the Village.

2. Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals on the date and year first written above.

**LAKESTONE:**

**The Awater LLC.**

By:_____
Brian Spanos, Member

By:_____
Brett Riemen, Member

**HOLDINGS:**

**Lakestone Holdings, LLC**

By:_____
Brian Spanos, Member

By:_____
Brett Riemen, Member

**VILLAGE OF McFARLAND**

By:_____
Carolyn A. Clow, Village President

By:_____
Cassandra Suettinger, Deputy Administrator/Clerk-Treasurer

ONE COMMUNITY BANK
McFARLAND

October 5th, 2022

Andrew Bremer, AICP, Community & Economic Development Director
Village of McFarland
5915 Milwaukee Street
McFarland, WI 53558

Re: 4721 Farwell St, McFarland, WI ("The Atwater Phase I")

Dear Mr. Bremer,

To facilitate the financing & increasing costs on the Atwater Phase II project (4719 Farwell), One Community Bank has agreed to additional funding, separate from the Phase II construction loan. The additional funding is to be secured by The Atwater Phase I property. This additional funding is as follows:

- $305,000 loan to monetize the pay-go TIF on Phase II
- $400,000 loan to bridge additional construction cost increases related to Phase II.

To proceed with the above, the Bank is requesting the Village to subordinate their current $350,000 2nd mortgage recorded on 4721 Farwell, to both above new mortgages. A title report on 4721 Farwell is included for reference.

If you have any questions, please call me at 608-838-5040. We appreciate the opportunity and look forward to proceeding with the loan transaction.

Sincerely,

Dan Carey
Senior Market President
One Community Bank
608-838-5040

5990 Highway 51
McFarland, WI 53558
P 608-838-3141
onecommunity.bank

Document Number

# SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS THAT, WHEREAS, on the _____ day of _____ , _____ , _____ _____ ("Borrower"), executed a mortgage to _____ ("Lender"), to secure payment of _____ Dollars ($ _____ ), which mortgage was recorded in the Office of the Register of Deeds for _____ County, Wisconsin, on _____ , _____ , as Document No. _____ (the "Original Mortgage") and conveyed the real estate known as:

Recording Area

Name and Return Address

**ONE COMMUNITY BANK**
**733 N MAIN ST**
**OREGON WI 53575**

_____
Parcel Identification Number (PIN)

(hereinafter referred to as the "Property").
AND WHEREAS, on _____ , _____ , Borrower granted to _____ a mortgage on the Property to secure payment of _____ Dollars ($ _____ ), which mortgage will be recorded in the Office of the Register of Deeds for _____ County, Wisconsin, on this date or shortly thereafter (the "Subsequent Mortgage").

WHEREAS, Lender has been requested to and has agreed to subordinate the lien of the Original Mortgage to the lien of the Subsequent Mortgage.

NOW, THEREFORE, for a good and valuable consideration, Lender hereby agrees that the lien of the Original Mortgage is subordinate and junior to the lien of the Subsequent Mortgage and that the lien of the Subsequent Mortgage shall also have a prior right over the lien of the Original Mortgage to all awards and payments made as a result of the exercise of the right of eminent domain against the Property, or any part, all rents, income or profits, all compensation received for the taking of the Property, or any part, by condemnation proceedings, all compensation received as damages for injury to the Property, or any part, all proceeds from insurance on improvements to Property, and all proceeds occurring as a result of foreclosure against the Property, including a deed given in lieu of foreclosure.

IN WITNESS WHEREOF, the said officers of Lender have hereunto set their hands and seals this _____ day of _____, _____ .

**ACKNOWLEDGMENT**

By: _____ *

By: _____ *

STATE OF _____ )
) ss.
_____ County )

Personally came before me this _____ day of _____ , _____ the above named _____ _____ by _____ to me known to be the person(s) who executed the foregoing instrument and acknowledged the same.

_____ *
Notary Public, State of _____
My Commission is permanent. (If not, state expiration date: _____ , _____ .)

THIS INSTRUMENT DRAFTED BY:

_____

_____

* Names of persons signing in any capacity must be typed or printed below their signature.

Knight Barry Title Services LLC
44 E. Mifflin Street, Suite 101
Madison, WI 53703
(608)255-2700
Fax: (608) 621-2036

# LETTER REPORT OF TITLE

**File #: 2173508**
**Revision: 2173508**
Refer Inquiries to: Ned Baxter
(ned@knightbarry.com)
Completed on: 09/12/2022 10:58 AM
Last Revised on: 09/13/22 10:31 AM
Printed on: 09/13/2022 10:32 AM

| | |
|---|---|
| This Letter Report is being distributed to: | Hallie Raasch<br>One Community Bank<br>733 N Main St<br>Oregon, WI 53575 |
| Date of Report: | **September 9, 2022 at 12:00 AM.** In accordance with your request, we have made a search of the records in the various public offices of Dane County from the date the owner(s) took title through the date of this report and find: title to the property to be in the owner(s) of record set forth below and no change of record during this stated time period except those matters below. |
| Owner(s) of Record: | Lakestone Holdings LLC, a Wisconsin limited liability company, subject to Ground Lease by and between Lakestone Holdings LLC, a Wisconsin limited liability company and The Atwater LLC, a Wisconsin limited liability company dated February 1, 2020 and recorded on March 17, 2020 as Document No. 5570335. |

| | |
|---|---|
| **Property Address:** | **4721 Farwell St, McFarland, WI 53558** |
| Legal Description: | Lot 2 of Certified Survey Map No. 15246 recorded in Vol. 108 of Certified Survey Maps, on Page 272, as Document No. 5528819, in the Village of McFarland, Dane County, Wisconsin. |
| Tax Key Number: | 154-0610-032-7021-1 |

| Values from the tax roll: | Land | Improvements | Total | Fair Market |
|---|---|---|---|---|
| | $198,500.00 | $4,549,900.00 | $4,748,400.00 | $4,748,400.00 |

## ***Taxes and Special Assessments***

Taxes for the Year 2021 in the amount of $86,338.58 and all prior years are paid.

## ***Judgments and liens***

There are no matters to report for this section.

## ***Mortgages, assignments, leases and land contracts***

Mortgage from Lakestone Holdings LLC, a Limited Liability Company and The Atwater LLC, a Wisconsin Limited Liability Company to McFarland State Bank in the amount of $5,575,000.00 dated March 5, 2020 and recorded on March 17, 2020 as Document No. 5570336.

Please read the "Terms and Conditions – Letter Report of Title" set forth on the Knight Barry Title Group website at https://www.knightbarry.com/termsletterreport (the "Terms and Conditions"). By accepting this Letter Report of Title, you represent that you have read and understand the Terms and Conditions and that you agree to be bound by the Terms and Condition. We reserve the right to update the Terms and Conditions as necessary - it is your responsibility to review them periodically.

Knight Barry Title Services LLC
44 E. Mifflin Street, Suite 101
Madison, WI 53703
(608)255-2700
Fax: (608) 621-2036



Ground Lease by and between Lakestone Holdings LLC, a Wisconsin limited liability company and The Atwater LLC, a Wisconsin limited liability company dated February 1, 2020 and recorded on March 17, 2020 as Document No. 5570335.

Mortgage from Lakestone Holdings, LLC to The Village of McFarland in the amount of $350,000.00 dated December 16, 2019 and recorded December 23, 2019 as Document No. 5550749.

Subordination Agreement was recorded on March 17, 2020 as Document No. 5570339 which makes the mortgages described as Document Nos. 5570334 and 5570336 SUPERIOR to the mortgage described as Document No. 5550749.

Assignment of Leases and Rents executed by March 5, 2020 to Lakestone Holdings LLC, a Limited Liability Company and The Atwater LLC, a Wisconsin Limited Liability Company dated March 5, 2020 and recorded March 17, 2020 as Document No. 5570337.

Collateral Assignment of Lessee's Interest in Ground Lease recorded on March 17, 2020 as Document No. 5570338.

***Other matters***

There are no matters to report for this section.

Please read the “Terms and Conditions – Letter Report of Title” set forth on the Knight Barry Title Group website at https://www.knightbarry.com/termsletterreport (the “Terms and Conditions”). By accepting this Letter Report of Title, you represent that you have read and understand the Terms and Conditions and that you agree to be bound by the Terms and Condition. We reserve the right to update the Terms and Conditions as necessary - it is your responsibility to review them periodically.

**Knight Barry Title Services LLC**
44 E. Mifflin Street, Suite 101
Madison, WI 53703
(608)255-2700

**SOURCE OF BUSINESS**

**One Community Bank**
733 N Main St
Oregon, WI 53575

**FILE #:** 2173508
**ISSUE DATE:** September 13, 2022
**PROPERTY:** 4721 Farwell St
McFarland, WI 53558
Dane County

| DESCRIPTION | AMOUNT |
|---|---|
| Letter Report Fee | 150.00 |
| **TOTAL AMOUNT:** | **$ 150.00** |

Please return a copy of the invoice with remittance.

VILLAGE OF
McFarland

# SUMMARY SHEET

**MEETING DATE:** **Wednesday, October 12, 2022**

**SECTION:**

**DEPARTMENT:** **Community Development**

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

**AGENDA ITEM:** **Discussion and possible recommendation to the Village Board regarding 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, 2021 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 include:

- Disclaimer language regarding potential deviations between Village Board approvals and CDA recommendations.
- 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 vs. selling land at market value and providing a larger cash incentive at project completion).
- Policies regarding payback period related to TID termination dates.
- Patterns in any past approvals related to any exceptions granted to specific criteria (refer to table in the packet).
- Any desired changes to application review processes.

The purpose of the TIF Development Incentives Policy Manual & Application is to provide developers, Village staff, CDA, and Village Board members with a tool to assist in guiding decisions related to requests for development incentives within Village TIF Districts. This includes guidelines for review procedures and funding criteria. These are considered guidelines and are not strict ordinance provisions under the Village's Municipal Code in order to allow the CDA/Village Board some flexibility given the fact that each request includes a unique set of circumstances and redevelopment objectives and benefits to the Village.

The CDA met on November 3rd, 2021 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 an additional 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, EV charging stations, etc.) 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, 2022 to review the first draft of the proposed changes to the TIF 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, 20022 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 CDA met on July 13th, 2022 to review a third draft of the proposed changes, with only a few minor amendments proposed, highlighted in yellow in the latest copy. The CDA and Village Board held a joint meeting on September 14th, 2022 to review a fourth draft of the proposed changes.

The packet includes the fifth version of the proposed changes to the TIF Development Incentives Policy Manual and Application with all prior amendments in redline form. Changes from the fourth version are highlighted in yellow. The packet also includes a clean version.

**FINANCIAL/BUDGET IMPACT:**

**VILLAGE PLAN REFERENCE:**

**ORDINANCE REFERENCE:**

**BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:**
Motion to recommend to the Village Board amendments to the Village's Tax Increment Financing Development Incentives Policy Manual and Application as presented.

**ATTACHMENTS:**
1. McFarland_TIF Incentives Policy Manual and Application_10.06.22 DRAFT_redline
2. McFarland_TIF Incentives Policy Manual and Application_10.06.22 DRAFT_clean

# 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 applicant's demonstrated project need and "but for" requirements, existing and projected TID revenues, level of investment risk to the Village, quality of the proposed development, ~~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~~ general 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~~TIF is that it is designed to encourage development that would not otherwise ~~occur, or~~occur or would ~~only~~ occur to a lesser extent, timeline, or quality under minimum zoning and building codes, "but for" the assistance provided through ~~tax increment financing~~TIF incentives. 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 achieving one or more objectives:

- ✓ 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. Visit www.wheda.com for more information on income limits for the current year.)
- ~~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

## 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.

## 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, whichever comes first, provided the TID hasn't closed).

- 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 ~~.~~ receiv~~inges~~ 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~~ approving 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**.

## 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 TIF assistance. Every other financial alternative should be explored prior to the use of TIF, including equity participation, other federal and state funds, 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 amount of TIF assistance is based on the demonstrated needs (financial gap) of the project. Where feasible, TIF assistance should be in the form of "pay-as-you-go". As further inducement to utilize TIF financing payment forms that reduce the overall risk to the TIF Districts, and achieve higher community and economic development goals, the Village has developed the following guidelines for the maximum amount of assistance based on funding format and project type. The amount of TIF assistance should still be limited to the amount necessary to make a project competitive with other similar projects in the McFarland market area, versus simply the maximums percentages provided below~~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 creating the TID and 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 considered provided the total amount of incentives can be recovered prior to closure of the TID:

- ☐ Affordable Housing. For projects involving the construction of affordable housing units, the maximum amount of assistance may be increased by 5% provided at least 20% of all units in a development must be reserved for households at or below 50% of the area median income, or at least 40% of all units must be reserved for households at or below 60% of the area 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 may 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, or provide electric vehicle charging stations for at least 20% of all parking stalls.

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

~~[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.).~~

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, 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~~.

## 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 consideration. *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 a ~~t DD~~evelopment 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, may complete an additional 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.

**Amendments to Existing TIF Development Agreements**

For amendment requests involving the construction of additional phases of development, the procedures in Section 7 shall be followed. Where the developer has identified a need to make a minor amendment to an existing TIF development agreement, said requests shall be submitted in writing to the Community & Economic Development Director, including those terms proposed for amendment and the reason for the request. The minor amendment will be placed on a CDA agenda for discussion and recommendation to the Village Board for action.

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~~Where applicable, 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~~ three 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). Applicant may also provide a list of employment positions and wages.

~~$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.

## 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 TIF assistance. Every other financial alternative should be explored prior to the use of TIF, including equity participation, other federal and state funds, 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 Art/Place Making Amenities ☐ Financing Costs

☐ Professional Fees ☐ _____ _____Other _____ _____

## 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 Art/Placemaking Amenities | | |
| 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: _____

## 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), as may be required under applicable state statutes regarding open records or open meetings. 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

# 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 Tax Increment Financing (TIF) 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. This policy manual and associated application have been prepared by the Village to provide both Village Officials and applicants a consistent process for reviewing requests for TIF incentives. The amount and form of payment of TIF incentives provided to a project will be determined at the discretion of the Village Board on the basis of applicant's demonstrated project need and "but for" requirements, existing and projected TID revenues, level of investment risk to the Village, quality of the proposed development, 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 Qualifications.

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 may reject any and all applications, even those which satisfy all of the attached 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 evaluation 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 general objective of TIF incentives is to stimulate (re)development of 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 TIF is that it is designed to encourage development that would not otherwise occur or would occur to a lesser extent, timeline, or quality under minimum zoning and building codes, "but for" the assistance provided through TIF incentives. It is the policy of the Village Board to consider the judicious use of TIF incentives for those projects that demonstrate a significant public benefit by achieving one or more objectives:

- ✓ Eliminating blight, unhealthy, or unsafe conditions
- ✓ 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
- ✓ Improving Village infrastructure, including utilities, streetscaping and multi-modal transportation options (generally defined as road, rail, transit, bicycle, and pedestrian infrastructure)
- ✓ 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. Visit www.wheda.com for more information on income limits for the current year.)

- ✓ 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

## 4. ELIGIBLE COSTS, PROJECT TYPES & PHASES

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

- ✓ Land acquisition
- ✓ 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.

## 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, whichever comes first, provided the TID hasn't closed).

- 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 the applicant completes the project (e.g., within 60 days of receiving 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 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 approving 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. 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**.

## 6. QUALIFICATIONS

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

☐ Ownership: 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": 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 TIF assistance. Every other financial alternative should be explored prior to the use of TIF, including equity participation, other federal and state funds, tax credits, loans, etc.

☐ Financial Capability: 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: The amount of TIF assistance is based on the demonstrated needs (financial gap) of the project. Where feasible, TIF assistance should be in the form of "pay-as-you-go". As further inducement to utilize TIF financing payment forms that reduce the overall risk to the TIF Districts, and achieve higher community and economic development goals, the Village has developed the following guidelines for the maximum amount of assistance based on funding format and project type. The amount of TIF assistance should still be limited to the amount necessary to make a project competitive with other similar projects in the McFarland market area, versus simply the maximums percentages provided below. 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, 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 creating the TID and bringing the subject property to shovel ready status (e.g., prior land acquisition costs, environmental remediation costs, public works costs, etc.).

- ☐ For Pay-As-You-Go (Developer Financed) Agreements, the maximum amount of assistance is capped at 30% of the estimated total project costs, for 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 considered provided the total amount of incentives can be recovered prior to closure of the TID:

- ☐ Affordable Housing. For projects involving the construction of affordable housing units, the maximum amount of assistance may be increased by 5% provided at least 20% of all units in a development must be reserved for households at or below 50% of the area median income, or at least 40% of all units must be reserved for households at or below 60% of the area 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 may 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, or provide electric vehicle charging stations for at least 20% of all parking stalls.

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: 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 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. 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 dispersed (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 dispersed and no longer 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: The applicant must agree to provide financial and project completion guarantees to the Village. These may include, but are not limited to, assessment guarantees, letters of credit, personal or corporate guarantees, minimum payment agreements, lien waivers for contractors, consent of mortgagee or other loan security instrument.

- ☐ Technical & Operational Capability: 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: 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: 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: 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: 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: 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: 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 & Fee: A completed application, fee, and escrow have been filed with the Community & Economic Development Department.

## 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.

☐ Preapplication Meetings (Non-mandatory). Applicants are encouraged to meet with 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 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 consultants who provide 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 $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 $5,000 per application to reimburse fees for professional services incurred by the Village related to the review of the application 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.

☐ Staff Review. 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 CDA for recommendation to the Village Board.

☐ CDA TIF Application Recommendation. 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)[1] 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 Village Board to approve, approve with conditions, deny the application, or 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

[1] 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.

at the Village Board meeting to answer questions regarding the proposed project. The Village Board may approve, approve with conditions, deny the application, or 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 consideration. *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 draft a 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 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, may complete an additional 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 considered for approval by the Village Board[2].

☐ 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.

**Amendments to Existing TIF Development Agreements**

For amendment requests involving the construction of additional phases of development, the procedures in Section 7 shall be followed. Where the developer has identified a need to make a minor amendment to an existing TIF development agreement, said requests shall be submitted in writing to the Community & Economic Development Director, including those terms proposed for amendment and the reason for the request. The minor amendment will be placed on a CDA agenda for discussion and recommendation to the Village Board for action.

Application ID: _____ (Year) - _____ (#) to be completed by Village 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

Proposed Use (check all that apply): ☐ Industrial ☐ Commercial ☐ Mixed-Use

☐ Market Rate Multi-Family Development ☐ Affordable Housing

Project Description. Provide a description of the project. Where applicable, 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 three 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: _____

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). Applicant may also provide a list of employment positions and wages.

$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.

## 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 TIF assistance. Every other financial alternative should be explored prior to the use of TIF, including equity participation, other federal and state funds, 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 ☐ Environmental Audits ☐ Surveying/Site Grading

☐ Demolition/Remediation ☐ New Construction ☐ Rehabilitation/Expansion

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

☐ Renewable Energy Systems ☐ Exterior Art/Place Making Amenities ☐ Financing Costs

☐ Professional Fees ☐ Other _____

## E. PROJECT BUDGET AND FINANCIAL STRATEGY

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

| Project Costs | Amount ($) | Source(s) of Financing |
|---|---|---|
| Property Acquisition* | | |
| Environmental Audits | | |
| Site Grading/Soil Remediation | | |
| Demolition/Remediation | | |
| Construction of New Building(s) | | |
| Renovation of Existing Structures | | |
| Utility Improvements (water, sewer, storm, etc.) | | |
| Streets/Parking/Access | | |
| Landscaping/Recreation/Conservation | | |
| Renewable Energy Systems | | |
| Exterior Art/Placemaking Amenities | | |
| 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: _____

## 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), as may be required under applicable state statutes regarding open records or open meetings. 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