

**VILLAGE OF WESTON, WISCONSIN
AGENDA ITEM COVER SHEET**

MTG/DATE: CDA – 03/20/18

FROM: Daniel Guild, Administrator
Jennifer Higgins, Director of Planning & Development

DESCRIPTION: Resolution No. 2018-CDA-002: A Resolution adopting a Tax Incremental Financing Policy for the Village of Weston

ACTION:	<input checked="" type="checkbox"/> Approve	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Proclamation
	<input type="checkbox"/> Deny	<input type="checkbox"/> Policy	<input type="checkbox"/> Report
	<input type="checkbox"/> Expenditure	<input type="checkbox"/> Procedure	<input type="checkbox"/> Resolution

QUESTION:

Should the CDA approve a Tax Incremental Financing Policy and Application for the Village to assist in managing future funding requests for projects within our TIF Districts.

BRIEF:

Staff has been directed to create a Tax Incremental Financing Policy and Application to be used for future TIF funding requests. A draft document was created and shared with the CDA at their 2/20/18 meeting. Comments received at the meeting and over the course of the last month from CDA members have been incorporated into the document. Please note, there still needs to be a discussion on a few policy areas, highlighted in yellow, that staff will need some final direction on from the CDA members.

RECOMMEND: Staff recommends approval. Please note, there still needs to be a discussion on a few policy areas, highlighted in yellow, that staff will need some final direction on from the CDA members.

COMMITTEE: CDA reviewed and commented on document at 2/20/2018 mtg

REQUEST: Discussion needs to occur on the appropriate fees and timeline for approval. These areas are highlighted in yellow on the document. Director recommends fees based on percentage instead of a flat fee. Approval of the document can occur if CDA feels it is ready to go. This would be done by approval of the attached resolution, Res 2018-

CDA-002. Document would then be sent on to the Village Board for their input and final approval.

Is there an additional briefer with this agenda item?

Are there additional reference documents which have been attached to this report?

**VILLAGE OF WESTON, WISCONSIN
AGENDA ITEM BRIEFER**

1. Policy Question:

Should the CDA approve a Tax Incremental Financing Policy for the Village of Weston?

2. Purpose:

The purpose of asking this question is to receive guidance and feedback from Village policymakers regarding the “policy question” written out above.

3. Background:

Staff has been directed to create a Tax Incremental Financing Policy and Application to be used for future TIF funding requests. Currently, no such document or formal policy exists.

4. Issue Analysis:

Currently there is no formal policy in place. This makes it very difficult for staff to work with potential developers who are requesting TIF funding for their projects. The Policy will help to articulate to existing or potential businesses the Village of Weston’s desire to promote economic development that is consistent with the Village’s Comprehensive Plan and provides a community benefit that will ultimately be shared by all taxing entities (Village, School, Technical College, County, and State) impacted through the establishment of Tax Increment District (TID)

5. Fiscal Impact:

This will better empower staff and policy makers to make educated decisions on the funding of future development projects with TIF Funds.

6. Legal Impact:

Having a policy is legal and will give us a policy and practice which will be more consistent, clear and streamlined.

7. Prior Review:

A draft document was created and shared with the CDA at their 2/20/18 meeting. Comments received at the meeting and over the course of the last month from CDA members have been incorporated into the document. Please note, there still needs to be a discussion on a few policy areas, highlighted in yellow, that staff will need some final direction on from the CDA members.

8. Policy Choices:

Here are your choices/alternatives.

1. Approve the Resolution, and therefore the Policy, with a recommendation for the fees and processing timeline.

2. Approve the Resolution, and therefore the Policy, with the condition that additional comments from the meeting from CDA members are added to the document.
3. No action at this time. Provide additional comments to staff and request they bring the document back at the May meeting for final discussion and approval.
4. Deny the Resolution and direct staff to continue

9. Recommendation:

#1 - I recommend that the Approve the Resolution, and therefore the Policy, with a recommendation for the fees and processing timeline.

10. Attachments:

Resolution No. 2018-CDA-002
Draft Tax Incremental Financing Policy for the Village of Weston and Application

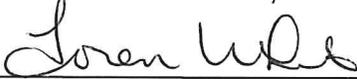
**VILLAGE OF WESTON, WISCONSIN
RESOLUTION NO. 2018-CDA-002**

- A RESOLUTION,** adopting a Tax Incremental Financing Policy for the Village of Weston.
- WHEREAS,** Tax Incremental Financing (TIF) is a special funding tool available to local municipalities that spurs economic development which otherwise would not occur.
- WHEREAS,** The Village currently has two active TIF Districts, TID #1 and TID #2.
- WHEREAS,** Currently the Village does not have a formal policy on how TIF Funding should be applied for or set criteria from which the Community Development Authority (CDA) and Village Board can make decisions on the funding of potential projects within these Districts.
- WHEREAS,** Staff has been directed to create a policy and application process which can be used going forward, to authorize funding of projects within the TIF Districts.
- WHEREAS,** the purpose of this Policy, attached as Exhibit A, is to articulate to existing or potential businesses the Village of Weston's desire to promote economic development that is consistent with the Village's Comprehensive Plan and provides a community benefit that will ultimately be shared by all taxing entities (Village, School, Technical College, County, and State) impacted through the establishment of Tax Increment District (TID).
- WHEREAS,** by the creation of the Policy the burden of establishing the public value of TIF shall be placed upon the applicant and the application must substantially meet the criteria contained herein prior to TIF funding being approved by the Board.
- BE IT RESOLVED** by the Community Development Authority for the Village of Weston that they have reviewed the Tax Incremental Financing Policy, attached as Exhibit A, and hereby adopts the Tax Incremental Financing Policy for the Village of Weston.

PASSED BY COMMUNITY DEVELOPMENT AUTHORITY OF THE VILLAGE OF WESTON, at a regular meeting thereof, this 20th day of the month of March, 2018.

BE IT FURTHER RESOLVED, the Administrator, Director of Planning & Development and other staff designated by the Policy be hereby authorized to carry out the specific actions with the intent of this resolution and Policy.

VILLAGE OF WESTON, a Municipal Corporation of the State of Wisconsin.

By: 
LOREN WHITE, Chair of the CDA

ATTEST.
By: 
DANIEL GUILD, CDA Executive Director

FILED:
By: 
VICTORIA HENSCHER, CDA Clerk



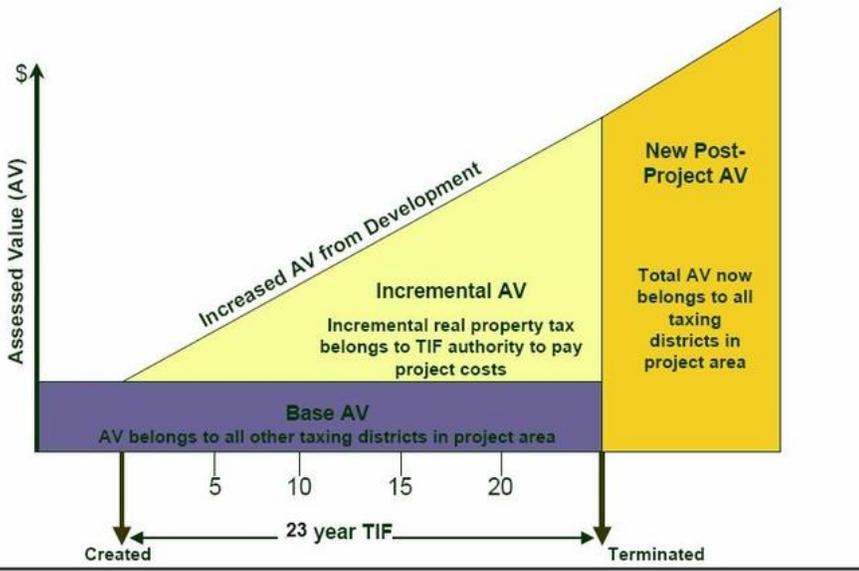
VILLAGE OF WESTON TAX INCREMENTAL FINANCING POLICY

What is TIF?

Tax Incremental Financing (TIF) is a special funding tool available to local municipalities that spurs economic development which otherwise would not occur. When a Tax Increment District (TID) is created property owners within the district continue to pay the same property tax rates as those outside the district. The difference is that tax collections, over and above the “base value” are placed into a special fund that is used to pay for project costs. Once all costs incurred by the creation of the

TID are recouped by the additional tax increment created the TID is closed and the additional property taxes created are shared by all taxing entities. The use of TIF varies from project to project and district to district. In some cases, the Village uses TIF to promote redevelopment of older parts of the community. In other cases, the Village uses TIF to create industrial parks through land acquisition and construction of infrastructure. In both cases, increased property tax collections are used to pay down debt service associated with project costs. The following outlines the Village’s policy regarding TIF.

TIF Assessed Value (AV) Over Project Life



Purpose

The purpose of this Policy is to articulate to existing or potential businesses the Village of Weston’s desire to promote economic development that is consistent with the Village’s Comprehensive Plan and provides a community benefit that will ultimately be shared by all taxing entities (Village, School, Technical College, County, and State) impacted through the establishment of Tax Increment District (TID).

Notwithstanding compliance with any or all of the guidelines herein, the provision of TIF assistance is a policy choice to be evaluated on a case-by-case basis by the Village Board. The burden of establishing the public value of TIF shall be placed upon the applicant and the application must substantially meet the criteria contained herein. Village Administration reserves the right to bring any TIF proposal forward for Board consideration.

Tax Incremental Financing (TIF) is a governmental finance tool used to provide funds to construct public infrastructure, promote development opportunities and expand future tax base. TIF assistance is only used when the proposed development would not occur “but for” Village assistance. The proposed development should be consistent with and reinforce all Village plans, including the approved Village Comprehensive Plan; and lead to the creation of jobs, the attraction, retention and expansion of strategic businesses and/or the redevelopment of underutilized properties to eliminate blight.

Meeting statutory requirements, policy guidelines or other criteria listed herein does not guarantee the provision of TIF financial assistance nor does the approval or denial of one project set precedent for approval or denial of another project.

TIF Authority

The authority and regulations for Tax Incremental Financing and the establishment of Tax Incremental Districts are found in Wis. Stats. 66.1105. The Village of Weston reserves the right to be more restrictive than provided under the statutes.

Basic Provisions

As a matter of policy, the Village of Weston will consider using Tax Incremental Financing to assist private development in those circumstances where the proposed private project shows a **demonstrated financial gap** and that the financial assistance request is the minimum necessary to make the project feasible. The developer is expected to have exhausted every other financial alternative(s) prior to requesting the use of TIF, including equity participation, other federal and state funds, bonds, tax credits, loans, etc.

It is the intent of the Village to provide the minimum amount of Tax Incremental Financing assistance to make the project viable and not solely to broaden a developer’s profit margin on the project. Prior to consideration of a Tax Incremental Financing request, the Village will undertake (at the requestor’s cost) an independent analysis of the project to ensure the request for assistance is valid.

In requesting TIF assistance, the developer must demonstrate that there will be a substantial and significant public benefit to the community by eliminating blight, strengthening the economic and employment base of the Village, positively impacting surrounding neighborhoods, increasing property values and the tax base, creating new and retaining existing jobs, and implementing the Comprehensive Plan.

Each project and location is unique and therefore every proposal shall be evaluated on its individual merit, including its potential impact on village service levels, its overall contribution to the economy and its consistency with the Comprehensive Plan, Strategic Plan, Master Plans or other community planning documents. Each project must demonstrate probability of financial success

“BUT FOR” TIF

The fundamental principle and that which the Village must determine through information provided by the developer is that the project would not occur “but for” the assistance provided through Tax Incremental Financing. The burden is on the developer to make this case to the Village and not the

Village to make this case for the developer. Should this “but for” determination not be made, Tax Incremental Financing for the project cannot be approved.

Goals, Objectives & Priority Economic Development Initiatives

The Village of Weston’s Comprehensive Plan guides the future growth and enhancement of the village over the next 10 to 20 years. More than just a land use plan, the Vision and Direction volume of the Comprehensive Plan provides the village’s vision and directions for economic and housing development, transportation and community facilities, natural resource protection, cultural growth, community image and appearance, intergovernmental relations, and other factors that together form Weston’s future. Chapter 4 of the Village’s Comprehensive Plan’s Vision and Directions Volume speaks specifically to the Village’s future economic development efforts and include a goal, objectives, policies, and initiatives to guide the future enhancement and development of the village through their implementation efforts.

Below are the specific goal, objectives and initiatives within the Comprehensive Plan for economic development. The Village will consider utilizing TIF to meet the following basic goals, objectives and initiatives of the Village.

Goal - Weston will support business retention and development that adds jobs, products, services, and value to the village to maintain our affordable tax rate and enhance our vitality.

Objectives

1. Help existing Weston businesses expand employment and increase sales.
2. Support family-supporting jobs to increase village household incomes.
3. Increase the number of retailers, restaurants, and service providers within the village.
4. Increase visitors and tourists to the village.

Initiatives

- Attract Retailers in Targeted Sectors.
- Help Expand and Attract Industries in Targeted Sectors.
- Attract Families and Young Professionals to Weston.
- Attract More Visitors to Weston.
- Adopt a Business Retention and Expansion Program.
- Assist Budding Entrepreneurs to Start and Grow Local Businesses.
- Implement “It’s Right Here” Marketing Effort.
- Collaborate on a Wausau Metro Area Economic Strategy.
- Pursue Redevelopment in Smart Growth Areas.
- Implement Other Economic Initiatives detailed in other chapters of the Comprehensive Plan.

The proposed development requesting TIF funding should:

- Support the [Comprehensive Plan](#) and relevant [Master Plans](#)

- Meet the Village Building and Site Design Standards as outlined in [Chapter 94 Zoning](#) Article 10: Building and Site Design Standards.
- Serve as gap financing – not possible “but for” Village assistance
- Primarily used for public infrastructure and publicly accessible areas
- Create jobs, commerce and economic activity
- Include substantial private investment of the applicant
- Utilize loans over grants
- Receive support from neighborhood and stakeholder organizations

What Development is Eligible?

The type of development the Village will consider TIF funding includes:

1. Business development (attraction, retention, expansion). TIF assistance will be evaluated on its impact on existing local markets.
2. Mixed-use developments that creatively integrate commercial and retail projects into a residential development.
3. Revitalization of historically significant or deteriorated buildings.
4. Projects that promote neighborhood stabilization or revitalization.
5. Projects that promote industrial development.
6. Projects that promote retail development.
7. Projects consistent with approved TIF Project Plans.
8. Projects that involve environmental clean-up, removal of slum and blighting conditions.
9. Projects that contribute to the implementation of other public policies, as adopted by the Village in strategic plans such as promotion of high quality architectural design, energy conservation (i.e. LEED, Energy Star, etc), green infrastructure, etc.

What Development is Ineligible?

The Village will not favor use of TIF funding to help support the following types of development.

1. Speculative office development (projects that have no secured tenants).
2. Relocation of offices, retail and/or commercial uses for purposes other than retaining or substantially expanding the business.
3. Stand-alone residential development projects unless limited by site and environmental conditions beyond which make the project financially infeasible.
4. Projects not consistent with the Comprehensive Plan.

Eligible Costs

TIF eligible expenditures are defined by Section 66.1105(2)(e) of Wisconsin Statutes, which the Village of Weston may further limit on a project by project basis. The following are typical eligible costs:

1. Capital costs, including actual costs of:
2. Construction of public works or improvements:
 - a. Construction of new buildings, structures, and fixtures;
 - b. Demolition, alteration, rehabilitation, repair or reconstruction of existing buildings, structures and fixtures, other than historic buildings and structures.

- c. Acquisition of equipment to service the district;
 - d. Restoration of soil or groundwater affected by environmental pollution; and
 - e. Clearing and grading of land.
3. Real property assembly costs.
 4. Professional service costs (planning, architectural, engineering, and legal).
 5. Relocation costs.
 6. Environmental remediation.
 7. Organizational costs (environmental and other studies, publication and notification costs).

Criteria for TIF Assistance

All of the following financial criteria must be met in order to be considered for TIF assistance.

1. **Equity Requirement.** Developers must provide a minimum 15% equity of total project costs. Projects that exceed the 15% equity requirement will be looked upon favorably by the Village. Equity is defined as cash or un-leveraged value in land or prepaid costs attributable to the project. TIF shall not be used to supplant cash equity.
2. **75% Rule.** No more than 75% of the net present value of the tax increment generated by a private development shall be made available to the project.
3. **Payback Period.** 20-year maximum payback period. Preference will be given to projects with payback periods of 10 years or under.
4. **TIF Cap.** The total amount of TIF assistance should not exceed 35% of total project costs. This limitation may be waived upon approval by the Village Board.
5. **Self-Supporting Projects.** Each project requesting TIF assistance should generate sufficient tax increment to cover the requested TIF assistance and a portion of any public infrastructure costs within the district.
 - a. No increment from other private development projects within the district may be used to supplement another project's inability to generate sufficient tax increment to cover project costs.
6. **Land Assembly Cap.** TIF assistance for land/property assembly costs will not be provided in an amount exceeding 10% of the fair market value of the land. The fair market value will be determined by an independent appraiser contracted by the Village with cost of appraisal paid for by developer.
7. **Internal Rate of Return.** The amount of assistance provided to a developer will be limited to the amount necessary to provide the developer a reasonable rate of return on investment in the project and the subject site. A developer's return on equity, return on cost or internal rate of return will be based on current market conditions as determined by the Village or Village's financial advisor. In no case shall internal rate of return exceed 30%.

8. Taxable Increase. The project should result in an increase in taxable valuation of at least 20% upon project completion.

Policy Criteria

In addition to meeting all of the above financial criteria, projects must accumulate at least 50 points based on the following policy criteria. Points can range from 0 to the maximum shown below in each category:

Criteria	Maximum Points
1. Attracting, retaining or expanding businesses for the purpose of improving the Village's economic base. <ul style="list-style-type: none"> a. Documentation of employment or financial projections must be provided by the party making the request and will serve as the basis for the agreement. 	20
2. Projects that directly implement specific recommendations of the Village's strategic planning documents such as the Comprehensive Plan, County Road X Corridor Plan, Stormwater Plans, TIF Project Plans, Master Plans, etc.	10
3. Projects involving retail development that is targeted to encourage an inflow of customers from outside the Village that result in exported goods, or that provide services or fill retail markets that are currently unavailable or underserved in the Village.	5
4. Presence of extraordinary development/redevelopment costs such as: <ul style="list-style-type: none"> a. Remodeling/Rehabilitation/Demolition b. Environmental Remediation c. Capital purchases d. Facility expansion e. Public infrastructure 	20
5. Proposed employment potential <ul style="list-style-type: none"> a. Number of new employees. b. Skill and education levels required for the jobs. c. Range of salary and compensation rates for the jobs as compared with the median income level for the community. d. Cost of public assistance per job. e. Potential for executive relocation. 	20
6. Enhance the streetscape and pedestrian experience.	5
7. Historic Preservation. Preservation/rehabilitation of a locally significant historic structure.	5
8. Provides direct benefit to distressed areas through blight elimination.	5
9. Quality of development and overall aesthetics (architectural, site design, landscaping, etc.) beyond that which is minimally required by the Zoning Ordinance.	5
10. Higher standards of Building Design, Materials, and Energy Efficiency such as meeting LEED certification, Energy Star, etc.	5

Process of TIF Approval

Tax Increment District creation requires following statutory prescribed timelines that include notification to the overlying taxing jurisdictions (i.e. public school district, technical college, county, village), property owners within the district, and published meeting notification in the newspaper. Ultimately the Village's Plan Commission, Board of Trustees, and Joint Review Board all must approve the TIF creation request.

1. A pre-application meeting is held between the developer and the Village.
2. A Tax Incremental Financing Application, attached, is submitted by the developer to the Village.
3. The Village will review the Application and determine completeness and whether the proposed project is eligible under the Village's policy and statutory requirements.
4. An analysis of the TIF Plan and financial proformas will be conducted by village staff and/or outside consultants.
5. A credit, criminal, financial and background investigations of the applicant and all parties related to the project, including investors.
6. Within ninety (90) days of receipt of a completed application staff will schedule a public hearing before the Plan Commission on the Project Plan and District Boundaries. If approved by the Plan Commission, the Project Plan and recommended boundaries will be sent to the Village Board for review. There is a minimum 14-day wait from the public hearing to Board of Trustee review.
7. The Board of Trustees may approve or deny the proposal to create the Tax Increment District. The Board may also adjust the boundaries (retraction only) of the proposed district from that which was recommended by the Plan Commission. If approved, the plan is forwarded to the Joint Review Board to make the final determination that the development will not proceed "but for" the use of TIF.
8. If approved, a Development Agreement is drafted and negotiated between the Village and Developer.
9. Once general agreement has been reached on the terms of the Development Agreement, it will require approval by the Board of Trustees.
10. Execution of the Development Agreement between the Village and Developer.

Structure for Tax Incremental Financing Assistance

1. Tax Incremental Financing assistance will be provided by the Village on a "pay-go" note method or via bond proceeds. Requests for up-front financing may be considered on a case-by-case basis if increment generation is sufficient to meet initial financing and debt service costs and is not the first dollars spent on a project.
2. For "pay-go" structured projects, the project owner shall agree to pay all other outstanding Village of Weston property tax bills prior to disbursement of any pay-go payments by the Village.
3. No Mortgage Guarantees. The Village will not provide mortgage guarantees.

4. Personal Guarantee. The Village will require a personal guaranty for receiving TIF assistance. Amount and form shall be acceptable to the Village.
5. The property owner shall agree not to protest to the Board of Review or Circuit Court the Assessor's determination of the property value for the properties for which the grant is requested.
6. The Village will retain a maximum of 10% of any tax increment received from the project to reimburse for administrative costs. Until such time as the project generates positive tax increment, the Village will charge an administrative fee to the developer to partially offset the cost of record keeping, report preparation, and accounting.
7. When the project is intended as a for-sale development (i.e., office, retail or residential condominiums), the developer must retain ownership of the overall project until final completion; provided, however, that individual condominium units may be sold as they are completed. For all other projects, the developer must retain ownership of the project at least long enough to complete it, to stabilize its occupancy, to establish the project management and to initiate payment of taxes based on the increased project value.
8. Projects receiving assistance will be subject to a "look back" provision. The look back mandates a developer to provide the Village or its financial advisor with evidence of its annualized cumulative internal rate of return on the investment (IRRI) at specified periods of time after project completion. The IRRI shall be calculated with equity, revenues, and expenses in accord with generally accepted accounting principles.

When the developer owns the subject property and rents space to tenants, supporting documentation shall include certified records of project costs and revenues including lease agreements and sales on a per square foot basis. If the records indicate that the developer has received a higher return on equity, a higher return on cost, or a higher internal rate of return than originally proposed to the Village at the time of development agreement, the developer and the Village shall split, on a 50/50 basis, the increase above the originally projected rates of return.

When the subject property is a for-sale development and the IRRI cannot be completed, the developer is to provide financial data after the project is completed. This shall include a calculation of profit on total development costs minus the TIF assistance. If the financial records indicate that the developer has received a higher return on equity, a higher return on cost, or a higher internal rate of return than originally contemplated at the time of development agreement approval, the developer and the Village shall split, on a 50/50 basis, any increase at or above original projected rates of return.

9. Exceptions to TIF Policy. The Village reserves the right to amend, modify, or withdraw these policies or require additional statements or information as deemed necessary. Any party requesting waiver from the guidelines found herein or on any other forms provided for TIF assistance may do so on forms provided by the Village with the burden being on the requestor to demonstrate that the exception to these policies is in the best interests of the Village.

Exhibits – Village of Weston TIF District Boundaries

- TID #1
- TID #2

Application Process

Developers who seek TIF assistance must meet with the Administrator, Planning & Development Director and other village staff as appropriate. If staff determines funds may be available, a developer will be asked to submit a TIF Application. A TIF application shall include the following:

- Application describing the nature of the business, proposed plans, and requested assistance.
- Project description, purpose of loan and expected benefits. Include cost estimates for building improvements and other capital expenditures, as well as the ratio of total project cost versus the amount of equity invested by owner.
- Three-year cash flow projections.
- Profit and loss statement for the past three years (if applicable).
- Fees – A fee of \$1,000 is required for processing of the initial application. The \$1000 fee will be rebated at time of occupancy permit issuance. The fee will not be returned on applications which are denied or do not receive an occupancy permit within two years of building permit issuance. An additional fee of \$500 will be charged for each development agreement amendment required. This fee is to cover Village costs associated with evaluating the TIF application. Make your check payable to the Village of Weston.

The Village is not obligated to make a TIF assistance recommendation or conclude negotiations in the event that information has not been presented to its satisfaction or the proposed project lacks feasibility. Meeting policy guidelines or other criteria listed herein does not guarantee the provision of TIF financial assistance nor does the approval or denial of one project set precedent for approval or denial of another project.

Staff verifies the TIF application and distributes the file for review to relevant Village departments. The draft development agreement term sheet will be sent to the Community Development Authority and/or Finance Committee for review. Village Board approval is required for all TIF Applications that result in a Development Agreement.

The process for approving funds within a current TID (or within a 1/2-mile radius of an existing TID) may take up to 120 days for final approval.



VILLAGE OF WESTON

TAX INCREMENTAL FINANCING APPLICATION

The Village of Weston is a proud partner in assisting investment and business development in our community. Our Development Team welcomes consultation with prospective applicants in advance of this formal application process.

Please complete and submit the following information to the Village of Weston for a more detailed review of the feasibility of your request for Tax Incremental Financing (TIF) assistance. The application is comprised of four parts: 1) Applicant Information, 2) Project/Property Information, 4) Project Budget/Financial Information, and 4) Attachments.

Where there is not enough space for your response or additional information is requested, please use an attachment. Use attachments only when necessary and to provide clarifying or additional information.

The Community Development Authority (CDA) reviews all applications for TIF assistance. Failure to provide all required information in a complete and accurate manner could delay processing of your application and CDA reserves the right to reject or halt processing the application for incomplete submittals.

For further information please refer to the "Village of Weston Tax Incremental Financing Policy" document.

Applicant Information

Legal Name: _____

D/B/A: _____

Mailing Address: _____

Primary Contact #: _____ Cell #: _____

Email: _____

Attorney: _____

Legal Entity (check one): Individual(s) Joint Tenants Tenants in Common
 Corporation LLC Partnership
 Other: _____

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

Will a new entity be created for ownership? No Yes

Name: _____

Tax Identification #: _____

Principals of existing or proposed corporation/partnership/LLC and extent of ownership interests:

Name	Address	Title	Interest

Investors and extent of ownership interests:

Name	Address	Title	Interest

Applicant and all principals and investors, please provide a residence list for the past 20 years. This listing will be used to further complete the background and reference check investigation process in other municipalities/states as applicable.

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 of the Village of Weston (check one)? Yes No

If yes, give the name and relationship of the employee _____

Have any of the applicants (including the principals of the corporation / partnership / LLC and any investors in the project) ever been charged or convicted of a misdemeanor or felony? Yes No

If yes, please furnish details: _____

All applicants (including the principals of the corporation / partnership / LLC and any investors in the project) shall have a credit, criminal and financial investigations completed as follows at the expense of the applicants:

- Criminal Background Check through the Department of Justice. Report will be run by Everest Metro Police Department (EMPD).
- Wisconsin Court System Circuit Court Access Search (<https://wcca.wicourts.gov/index.xsl>).
- Credit Bureau Report, using at least one of the available providers, shall be obtained (personal/business).
- Any other sources deemed necessary by all the parties involved in the application approval process.

Project/Property Information

Project Narrative

Overall Project Summary and Objectives (feel free to use a separate sheet for your answer):

Parcel Address(es):

Proposed Parcel/Land Area: _____ Acres

Proposed Building Area: _____ Square Feet

of Dwelling Units: _____

of Stories: _____

of Parking Spaces: _____

Current and Proposed Uses: _____

Description of End Users: _____

Current Assessed Value: \$ _____

Current Property Taxes: \$ _____

Describe any zoning changes that will be needed: _____

Identify any other approvals, permits or licenses needed (ie. Liquor License, Health Department. etc.):

Describe briefly what the project will do for the property and/or neighborhood: _____

Project Timeline	
Step	Date
Final Plan/Specification Preparation	
Bidding and Contracting	
Firm Financing Approval	
Construction/Rehabilitation	
Landscaping/Site Work	
Occupancy/Lease Up	

Development Team

Developer: _____

Architect: _____

Surveyor: _____

Contractor: _____

Other Members: _____

Describe Development Team expertise and experience in developing similar projects: _____

Other current Development Team projects in development: _____

Past Development Team projects, include community name and contact person for references: _____

Provide a list of References for suppliers and trade groups you have worked on past projects with. Please note, these references will be checked to verify for past performance.:

Financial ability of the applicant to complete the project: _____

Full and part-time jobs to be created by the proposed project including average estimated salary:

If existing business, number of current full and part-time employees: _____

Professional Studies

Market Studies: Applications for commercial and residential projects must include a comprehensive market study. The market study must identify target markets, analysis of competition, demographics, market rents, letters of intent/interest from prospective tenants, or for housing developments, sale prices or rental rates of comparable properties.

Appraisal: All projects that involve the transfer of land must include a recent appraisal. Projects that include land as a form of equity or collateral must also submit a recent appraisal. The appraisal must value the property “as is”, and the impact on value must be considered for such items as demolition, environmental remediation, relocation of utilities, lease buy-outs, and other work necessary to make the site developable. The property must be valued assuming that the highest and best use is the proposed use.

Project Budget/Financial Information

Describe why the project cannot occur "but for" Village participation: _____

Identify the sources and uses of funds for the project. Typical sources include equity, lender financing, mezzanine financing, government financing, other anticipated types of public assistance, and any other types or methods of financing.

Use of Funds	Amount (\$)	\$ per SF of Building Area
Land Acquisition		
Demolition		
Environmental Remediation		
Site Clearance and Prep		
Soft Costs/Fees		
Soft Cost Contingency		
Other (please specify)		
Total Project Costs		

Identify the sources/expected sources of financing

Sources of Funds	Amount (\$)			% of total project costs
Equity				%
Developer Equity				%
Other: _____				%
Total Equity				%
Loans		Rate	Term	
Construction Financing		%	Mos.	
Permanent Financing		%	Yrs.	%
TIF Assistance				%
Other: _____				%
Total Sources of Funds				100%

Source	Amount (\$)	Terms: Years/Interest	Contact Information
Equity			
Loans			
1.			
2.			
3.			
4.			

Detailed Pro Forma (must correspond to line items for Use of Funds on previous page)	
Land Acquisition	\$
Demolition	\$
Site Clearance	\$
Infrastructure	\$
Utilities/Removal	\$
Utilities/Relocation	\$
Utilities/Installation	\$
Hazardous Materials Removal	\$
Other	\$
Total Site Clearance and Preparation	\$
Soft Costs/Fees	\$
Project Management (%)	\$
General Contractor (%)	\$
Architect/Engineer (%)	\$
Developer Fee	\$
Appraisal	\$
Soil Testing	\$
Market Study	\$
Legal/Accounting	\$
Insurance	\$
Title/Recording/Transfer	\$
Building Permit	\$
Mortgage Fees	\$
Construction Interest	\$
Commissions	\$
Marketing	\$
Real Estate Taxes	\$
Other Taxes	\$
Other:	\$
Other:	\$
Sub-Total Soft Costs/Fees	\$
Soft Cost Contingency	\$

Pro Forma Income and Expense Schedule

Applicants whose projects involve the rental of commercial, retail, industrial, or living units must submit project pro formas that identify income and expense projections on an annual basis for a minimum five-year to a maximum eleven-year period. If you expect a reversion of the asset after a holding period please include that in your pro forma as well. Please check with village staff to determine the time period needed for the pro forma. Identify all assumptions (such as absorption, vacancies, debt service, operational costs, etc.) that serve as the basis for the pro formas. **Two sets of pro formas are to be submitted. The first set should show the project without TIF assistance and the second set with TIF assistance.**

For owner-occupied industrial and commercial projects, detailed financial information must be presented that supports the need for financial assistance (see below).

Analysis of Financial Need

Each application must include financial analyses that demonstrate the need for TIF assistance. **Two analyses must be submitted: one WITHOUT TIF assistance and one WITH TIF assistance.** The applicant must indicate the minimum return or profit the applicant needs to proceed with the project and rationale for this minimum return or profit. The analyses will necessarily differ according to the type of project that is being developed.

Rental Property: For projects involving rental of space by the developer to tenants (tenants include offices, retail stores, industrial companies, and households), an internal rate of return on equity must be computed with and without TIF assistance based on the pro forma of income and expense prepared for the Income and Expense Schedule below. The reversion at the end of the ten-year holding period must be based on the capitalized 11th year net operating income. The reversionary value is then added to the 10th year cash flow before discounting to present value. State all assumptions to the analyses.

For Sale Residential: Show profit as a percent of project cost (minus developer fee and overhead and minus sales commissions and closing costs, which should be subtracted from gross sales revenue). Other measure of profitability may be submitted, such as profit as a percent of sales revenue.

Mixed Use Commercial / For-Sale Residential: Provide either separate analyses for each component of the project or include in the revenue sources for the for-sale portion, the sale value of the commercial component based on the net operating income of the commercial space at stabilization. Indicate how the sale value was derived.

Owner-Occupied Commercial: For projects, such as “big-box” retail projects, provide copies of the analyses that the company needs to meet or exceed the company’s minimum investment threshold(s) for proceeding with the project.

Competitive Projects: In instances where the Village is competing with other jurisdictions for the project (e.g., corporate headquarters, new manufacturing plant), present detailed analyses that demonstrate the capital and operating cost differential between the proposed location(s) in Weston and locations that are seriously being considered by the applicant.

Revenue Projects – Rental Project			
	Year 1	Year 2	>> Year 11
Income rent per sf (or avg.)	\$	\$	\$
Commercial Rent	\$	\$	\$
Commercial Expense Recoveries	\$	\$	\$
Residential Rent	\$	\$	\$
Other Revenue: _____	\$	\$	\$
Gross Potential Income	\$	\$	\$
Commercial Vacancy _____%	\$	\$	\$
Residential Vacancy _____%	\$	\$	\$
Effective Gross Income (EGI)	\$	\$	\$
Expenses			
Maintenance & Repairs	\$	\$	\$
Real Estate Taxes	\$	\$	\$
Insurance	\$	\$	\$
Management Fee	\$	\$	\$
Professional Fees	\$	\$	\$
Other Expense: _____	\$	\$	\$
Other Expense: _____	\$	\$	\$
Total Expenses	\$	\$	\$
Net Operating Income (NOI)	\$	\$	\$
Capital Expenses (reserves, tenant improvements, commissions)	\$	\$	\$
Debt Service	\$	\$	\$
Net Cash Flow (before depreciation)	\$	\$	\$
Reversion in Year 10			
Year 11 NOI before Debt & Capital Expenses	\$		
Capitalization Rate		%	
Gross Reversion	\$		

Revenue Projections – For-Sale Project

Gross Sales Revenue Housing Units	Unit Type*	Number	Price/Unit	
			\$	
			\$	
			\$	
			\$	
			\$	
Total Housing Sales:				\$
*affordable units if any				
Housing Unit Upgrades:				\$
Commercial Space	Unit Type	Size (SF)	Price per SF	
			\$	
			\$	
			\$	
Total Commercial Sales				\$
Total Gross Sales Revenue				\$
Cost of Sales				
Commissions	%	\$		
Marketing	%	\$		
Closing	%	\$		
Other Costs:	%	\$		
Total Costs of Sales	%			\$
Net Sales Revenue				\$

Additional Considerations

Please answer the following:

1. Will you sign a community workforce agreement with the local Building Trades Council? Yes
No
2. Will you agree to source all sub-contractors from within a 100-mile radius of Weston? Yes
No
3. Will you agree to not protest to the Board of Review, except in cases of material inaccuracies, your real estate assessment for the subject properties? Yes No

4. Will you complete the design assistance process of the Wisconsin Focus on Energy Program, which offers incentives and consultations on energy efficiency? Yes No
5. Will you consider using Property Assessed Clean Energy (PACE) funding which can provide financing support for construction which meets energy efficiency or alternative energy standards?
Yes No
6. Will you provide corporate tax filing verification information for job creation reporting purposes, if requested? Yes No
7. Will you authorize the Village to check references, run a credit report and verify criminal and financial backgrounds? Yes No

Attachments

Summary Letter

Provide a summary of the project in the form of a letter addressed to the Village Administrator. The letter should not exceed two (2) pages in length and should include only the following essential information about the project:

- Description of site or building
- Description of end users
- Profitability
- Overview of private sector financing
- Summary of increment projections
- Total development costs
- Current and proposed uses
- Project start and end dates
- Description of public benefits, including job creation
- Amount of TIF assistance requested
- Name of developer and owner
- Statement regarding why TIF is essential and why the “but for” provision will be met

Note: In the “but for” discussion, you must clearly describe why TIF is needed to help this project and why the project will not / cannot proceed without such support. Failure to clearly provide the “but for” explanation will delay action on your application.

Project Narrative

Provide an in-depth overview of the project in narrative format. The narrative must include a description of the following aspects of the project:

- Current condition of the site and historical overview that includes the size and condition of any existing structures, environmental conditions, and past uses of the site.

- Proposed use(s) of project (e.g. industrial, commercial, retail, office, residential for sale or rental, senior housing, etc.).
- Construction information about the project including: size of any existing structure to be demolished or rehabbed; size of any new construction: types of construction materials (structural and finish); delineation of square foot allocation by use; total number and individual square footage of residential units; type of residential units (e.g. for-sale, rental, condominium, single-family, etc.); number of affordable residential units; number and type of parking spaces; and construction phasing.
- If in an existing TID or redevelopment area, confirm that this project is consistent with the goals and objectives in the Project or Redevelopment Plan.
- A summary of the proposed “green” features to be included in the project. All projects that receive TIF assistance are encouraged to include environmentally friendly features.

Filing Requirements

You must provide all the following items with your signed application for it to be considered complete:

1. **Fee:** A fee of \$1,000 is required for processing of the initial application. The \$1000 fee will be rebated at time of occupancy permit issuance. The fee will not be returned on applications which are denied or do not receive an occupancy permit within two years of building permit issuance. An additional fee of \$500 will be charged for each development agreement amendment required. This fee is to cover Village costs associated with evaluating the TIF application. Make your check payable to the Village of Weston.
2. **Site Maps:** Provide a map that shows the location of the site and a map that focuses on the project and its immediate surroundings. Both maps should be no larger than 11x17 inches. Larger maps may be required for projects presented to the Plan Commission, Community Development Authority, or Village Board.
3. **Project Renderings:** Provide preliminary architectural drawings, plans, and renderings for the project. These drawings should be no larger than 11x17 inches. Larger drawings may be required for projects presented to the Plan Commission, Community Development Authority, or Village Board.
4. **Projections:** Provide three (3) years of cash flow projections for the project.
5. **Statements:** Profit and loss statements for the past three (3) years (if applicable) – this may be shared in a closed session if necessary and requested.

Notes

If the project requires planning and/or zoning approvals, you must make these applications concurrent with this request.

Agreement

I, by signing this application, agree to the following:

1. I have read, and will abide by all the policies, standards and reporting requirements of the Village for Tax Incremental Financing (TIF).
2. The information submitted is correct and adequately represented.
3. I agree to pay all costs involved in the legal and fiscal review of this project. These costs may include, but not be limited to, bond counsel, outside legal assistance, and outside financial assistance, and all costs involved in the issuance of the bonds or loans to finance the project.
4. I understand the Village reserves the right to deny approval, regardless of preliminary approval or the degree of construction completed before application for final approval.
5. I authorize the Village to check references, run/obtain credit reports, verify criminal and financial backgrounds and obtain other relevant information on the applicant and parties.
6. I agree to provide additional information as may be requested by the Village after filing this application.

Applicant Printed Name/Title

Applicant Signature

Date