

Dated 11-10-16

Village of Mukwonago
ECONOMIC DEVELOPMENT COMMITTEE
Notice of Meeting and Agenda
Monday, November 14, 2016

Time: **4:00 p.m.**

Place: **Mukwonago Municipal Building/Board Room, 440 River Crest Court**

1. Call to Order

2. Roll Call

3. Unfinished Business

Discussion and Possible Action on the Following Item

A. Discussion and possible recommendation to Plan Commission regarding proposed amendments to Section 100-153 of the Municipal Code pertaining to Village Center Use, Design and Parking Standards Overlay Zoning District

4. New Business

Discussion and Possible Action on the Following Item

A. Draft Tax Incremental Financing (TIF) Policy

5. Adjournment

It is possible that members of, and possibly a quorum of, members of other governmental bodies of the municipality may be in attendance at the above stated meeting to gather information. No action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to above in this notice. Please note that, upon reasonable notice, efforts will be made to accommodate the needs of individuals with disabilities through appropriate aids and services. For additional information or to request this service, contact the Clerk's Office, 440 River Crest Court, (262) 363-6420, Option 4.

**Proposed Village Center Use, Design and Parking Standards Overlay Zoning District
Village of Mukwonago
Draft—November 2016**

Section 100-153. Village Center Overlay Zoning District

(To replace current Section 100-153, BFD-1/2, Business Fire Overlay District, also Section 100-204, MFD-2, Light Manufacturing Fire Overlay District to be removed.)

(a) Intent. The intent of this Village Center Overlay Zoning District is to establish uniform zoning standards that accommodate pedestrian oriented retail businesses and other uses located in a multi-purpose environment within the center of the Village of Mukwonago; that recognizes the unique character of platting, land use and development within the Village Center; and that necessitates specialized standards to sustain a unique place. This overlay district is further intended to supersede standards of the Base Zoning District that allows an intensively developed, compact area consisting primarily of retail businesses with multi-purpose development where appropriate and maintains the surrounding residential neighborhood supporting the unique Village Center.

(b) Boundary of Village Center Overlay Zoning District. The standards of Village Center Overlay Zoning District within this Section 100-153 shall apply to and include properties as shown on Exhibit A on file in the office of the Village Clerk, with the following general boundaries:

North: Washington Avenue, extending to include the Pearl and Grand Avenue Historic District

East: Canadian National Railroad Tracks

South: Andrews Street

West: Park Place Avenue between Wahl Avenue and Atkinson Street extended north and south to intersect with the north and south boundaries, generally two lots west of Lois Street.

(c) Scope of Regulations. The provisions of this Section 100-153 shall be in effect on a property or properties within the boundary of the Village Center Overlay Zoning District under any of following conditions:

(1) Change in Use. When the existing use of any building, structure or land is changed to a new permitted use or conditional use in accordance with Section 100-153 (f), all provisions of this Section 100-158 shall apply to the new use. In a building or structure with multiple uses or tenants, the new use shall conform to Section 100-153 (f) without impacting any existing business or businesses existing in the same building or structure. If any existing use not allowed as a permitted use or conditional use by Section 100-153 (f) located in the same building or structure with a new use as of (effective date of ordinance), the existing use may continue as a non-conforming use until the use vacates the building or structure.

(2) Enlargement of Use. The provisions of this Section 100-158 shall apply when the intensity of use of any building, structure, or land is increased through additional floor area, seating capacity or additional residential dwelling units. However, buildings and structures with a use currently existing and permitted in the Base Zoning District as of (effective date of ordinance) that is not allowed as a permitted use or

conditional use by Section 100-153 (f) may be allowed to enlarge in accordance with the bulk standards of this Section 100-153 (g), and the non-conforming use may remain. Any new use occupying the enlargement shall conform to all standards of this Section 100-153.

(3) New Construction. The provisions of this Section 100-153 shall apply to all buildings and structures erected and all uses of land (including the construction of new parking and loading facilities) established after (effective date of ordinance).

(4) Pre-Existing Residential Uses. Buildings and structures with residential as the primary use existing at the time of adoption of this Section 100-153 within the B-1, B-2 or M-1 base zoning district, and located within the boundary of this overlay district, may continue in a residential use and shall be allowed to make building and property improvements to maintain proper habitation as allowed under provisions of Chapter 100.

(5) Benefit of Property Ownership. Any property owner may select to comply with this Section 100-153 at any time, regardless of the other scope of regulations of this Section 100-153 (c).

(6) Application of M-1 or M-2 zoning within the Multi-Purpose Perimeter Sub-District. Properties with the Base Zoning District of M-1 or M-2 within the Multi-Purpose Perimeter sub-district shall request and receive a zoning district boundary change to B-2 before any enlargement of use or new construction.

(d) Sub-Districts of the Village Center Overlay Zoning District. To achieve the intent of the Village Center Overlay District and to recognize the historic development pattern of the Village Center with a core of retail establishments, sub-districts are created as shown on Exhibit A; on file in the office of the Village Clerk. The sub-districts of the Village Center Overlay District are as follows:

1. Retail Center
2. Multi-Purpose Perimeter
3. Residential Perimeter

(e) Purpose of the Sub-Districts. Administration of the allowable uses, performance standards and bulk standards of this Section 100-153 shall be based on the following purpose statements of each sub-district in addition to the overall intent statement of the Village Center Overlay Zoning District.

(1) Retail Center. It is the purpose of the Retail Center to create street level activity by permitting a range of businesses on the ground floor or first floor space of buildings facing the public street primarily of retail character that sell or provide services directly to customers on the premises or serves as a third-place establishment. Businesses that do not create customer traffic are encouraged to locate within the Retail Center on upper floors or the ground floor or first floor space of buildings that do not face the public street. Nonetheless, businesses without customer traffic may be allowed by approval of the Plan Commission if the business adds significance to the Village Center; such as the business is an employment generator, the aesthetic appeal of the business or the building in which the business is located, or the existing floor plan of the building or tenant space is designed for an office environment. Residential dwelling units are encouraged on the upper floors of the Retail Center. Several buildings within the Retail Center may be encouraged to remain to enhance the cultural heritage of the Village

while other buildings are encouraged to be redeveloped or expanded. In addition, it is the purpose of the Retail Center to preserve the two buildings listed on the National Register of Historic Places, and to promote the cultural heritage of the Village of Mukwonago by maintaining buildings and uses that have been and will continue to be important elements within the Village Center.

(2) Multi-Purpose Perimeter. It is the purpose of the Multi-Purpose Perimeter to create a mixture of business uses (such as retail, third-places, office services and corporate offices) combined with residential at higher densities than allowed elsewhere in the Village creating a consistent activity level and a market for the Retail Center and the Multi-Purpose Perimeter. Facing the major traffic corridors of Rochester Street and Main Street, businesses located on the ground floor or first floor of buildings shall meet the same criteria as the Retail Center with the purpose of creating street level activity; except by approval of the Plan Commission if the business adds significance to the Village Center; such as the business is an employment generator, the aesthetic appeal of the business or the building in which the business is located, or the existing floor plan of the building or tenant space is designed for an office environment. Several buildings within the Multi-Purpose Perimeter may be encouraged to remain to enhance the cultural heritage of the Village while other properties are encouraged to be redeveloped or expanded. Conversion of existing homes to low intensity business uses is encouraged (such as professional offices and Bed and Breakfast establishments).

(4) Residential Perimeter. It is the purpose of the Residential Perimeter to preserve and protect the important residential areas surrounding the business center of the Village by identifying the Pearl and Grand Avenue Historic District and allowing homes to be maintained and improved that otherwise are non-conforming pursuant to the required setbacks of the Base Zoning Districts.

(f) Allowable Uses within Sub-Districts. The standards within this Section 100-153 (f) shall apply to uses allowed as permitted uses or conditional uses per sub-district of the Village Center Overlay Zoning District, as permitted uses and conditional uses are administered in this Chapter 100. Uses specifically prohibited per sub-district are listed as not permitted.

(1) General List of Allowable or Not Permitted Uses. The following general categories of uses are allowed per sub-district as permitted uses or conditional uses, or not permitted, within the criteria and performance standards of this Section 100-153 (f). When a question arises if a use conforms to this Section 100-153 (f)(1), please see the specific list of Section 100-153 (f)(2).

Type of Use (See Section 100-153 (4) for description)	Sub-Districts		
	Retail Center	Multi-Purpose Perimeter	Residential Perimeter
Business with on-site customers; ground floor or 1st floor use facing street	Permitted	Permitted	Not Permitted
Business with on-site customers; ground floor or 1st floor use not facing street	Permitted	Permitted	Not Permitted
Business with on-site customers; upper floor use above 1st floor	Permitted	Permitted	Not Permitted
Business without on-site customers; ground floor or 1st floor use facing street	Not Permitted; except as allowed by Plan Commission per criteria of Section 100-153 (e)(1)	Not Permitted facing Rochester Street or Main Street; Permitted Elsewhere	Not Permitted
Business without on-site customers; ground floor or 1st floor use not facing street	Permitted	Permitted	Not Permitted
Business without on-site customers; upper floor use above 1st floor	Permitted	Permitted	Not Permitted
Residential; ground floor or 1st floor facing street	Not Permitted; except for on-site parsonage for rector of church or religious institution	Conditional Use, except existing may continue as a permitted use	As Allowed for either Single Family, Two-Family or Multi-Family in the Base Zoning District*
Residential; ground floor and 1st floor not facing street	Conditional Use; except for on-site parsonage for rector of church or religious institution	Permitted	As Allowed for Single Family, Two-Family or Multi-Family in the Base Zoning District*
Residential; upper floor above 1st floor	Permitted; except for on-site parsonage for rector of church or religious institution	Permitted	As Allowed for Single Family, Two-Family or Multi-Family in the Base Zoning District*

*Single Family, Two-Family or Multi-Family shall be allowed as a permitted use or conditional use, or not permitted, in accordance with the allowable uses of the Base Zoning District. Any new single family residential construction; any new two-family residential construction or conversion of a single family residence to a two-family structure shall require a minimum lot size of 8,712 square feet. Any new multi-family structure

construction or conversion of a single family or two-family residence to a multi-family structure shall require a minimum lot size of 18,000 square feet.

(2) Specific List of Allowable or Not Permitted Uses. The following is a list of specific uses allowed either as a permitted use or a conditional use, or not permitted, within the sub-districts of the Village Center Overlay District. The purpose of this list to clarify when a specific use is deemed appropriate or not appropriate to comply with the general list of allowable or not permitted uses, the intent of this Section 100-153 and the purposes of the sub-districts. Furthermore, any permitted use or conditional use listed below shall conform to standards of 100-153 (f) (1) and (4) for a business location within a building with or without on-site customers except with Plan Commission approval pursuant to the criterial of Section 100-153 (e)(1) and (2), or residential shall conform to standards of Section 100-153 (f) (1) and (5) for location within a building.

Type of Use	Sub-Districts		
	Retail Center	Multi-Purpose Perimeter	Residential Perimeter
Adult Family Home*	Not Permitted	Permitted in Residential	Permitted
Animal (small) Boarding	Not Permitted	Conditional Use	Not Permitted
Animal/Veterinary (small) Clinic	Not Permitted	Conditional Use	Not Permitted
Animal (small) Grooming	Not Permitted	Permitted	Not Permitted
Bed and Breakfast	Not Permitted	Permitted	Conditional Use
Car Wash	Not Permitted	Not Permitted	Not Permitted
Church or Religious Institution	Not Permitted; except existing may continue as Permitted	Not Permitted	Not Permitted, except existing may continue as Permitted
Community Living Arrangement, eight or fewer persons*	Not Permitted	Permitted in Residential	Permitted
Community Living Arrangement, nine or more persons*	Not Permitted	Conditional Use in Residential	Conditional Use
Contractor	Not Permitted	Conditional Use	Not Permitted
Clubs and Lodges	Not Permitted	Permitted	Not Permitted
Cultural Institution	Conditional Use	Permitted	Permitted
Day Care	Not Permitted	Conditional Use	Not Permitted
Drive-thru Facility, accessory to a principal use	Conditional Use	Conditional Use	Not Permitted
Family Daycare Home*	Not Permitted	Permitted in Residential	Permitted
Foster Home and Treatment Foster Home*	Not Permitted	Permitted in Residential	Permitted
Funeral Home	Not Permitted	Conditional Use	Not Permitted

Type of Use	Retail Center	Multi-Purpose Perimeter	Residential Perimeter
Government Office	Permitted, Upper Floors or Not Facing Street	Permitted	Not Permitted
Health Clinic	Permitted	Permitted	Not Permitted
Home Occupation*	Permitted in Residential	Permitted in Residential	Permitted
Household Appliance Repair, if accessory to a principal use	Permitted	Permitted	Not Permitted
Hotel	Permitted	Permitted	Not Permitted
Medical Office	Permitted	Permitted	Not Permitted
Motor Fuel Dispensing Station	Conditional Use	Conditional Use	Not Permitted
Laundromat	Not Permitted	Permitted	Not Permitted
Outdoor Seating with Food or Drink Service	Conditional Use	Conditional Use	Not Permitted
Professional Home Office*	Permitted in Residential	Permitted in Residential	Permitted
Public Museum	Not Permitted	Permitted	Not Permitted
Second Hand Store	Not Permitted	Permitted	Not Permitted
Seasonal Market	Permitted	Permitted	Not Permitted
Schools (K-12 public, parochial or private)	Not Permitted	Not Permitted	Not Permitted
Schools (Specialty or Technical)	Permitted, Upper Floors or Not Facing Street	Permitted, Upper Floors or Not Facing Street	Not Permitted
Social Service Agency	Permitted Upper Floors Only	Permitted	Not Permitted
Temporary Uses (see standards below)	Permitted	Permitted	Not Permitted
Theater (movie or live entertainment), Indoor	Conditional Use	Permitted	Not Permitted

*Pursuant to compliance with the detailed standards for the use as stated in the Base Zoning District or the general standards of Chapter 100.

(3) Prohibited Uses. The following list of uses are specifically prohibited within any sub-district of the Village Center Overlay Zoning District: Automobile and other Vehicle Sales; Automobile and other Vehicle Repair; Adult Cabaret; Adult Entertainment; Adult Book, Magazine or Video Sales or Rentals; Tool Rental Facility and any use selling or providing an illegal product or service.

(4) Performance Standards for Allowed Uses. All uses allowed as either a permitted use or a conditional use within the sub-districts of the Village Center Overlay District shall comply with the following performance standards.

- a. A business with on-site customers means an enterprise, company, firm or organization engaged in the sale of new products and/or rendering services directly to the public and/or customers at the location of the business within the Village Center. A business with on-site customers shall have regular and consistent hours of operation open to the public in relation to other Village Center businesses, with the objective of attracting customers within the hours of 9:00 A.M. to Midnight, which provides the Village Center with consistent street level pedestrian and traffic activity. Common terms for a business under this category may include retail or commercial establishment, a business office, general service, health care, and accommodation, food service or drinking establishments. Third-place businesses are encouraged that provide an alternate to community citizens beyond home and employment to congregate, meet and enjoy the presence of friends and other members of the community. Examples of third-place businesses include a restaurant with a bar, a craft store that holds classes teaching knitting or scrap booking, or a hobby store that holds classes teaching model railroading.
- b. A business without on-site customers means an enterprise, company, firm or organization engaged in the sale of new products and/or rendering services to the public off-site away from the location of the business within the Village Center, and may have customers at the location of the business within the Village Center. A business without on-site customers shall have regular and consistent hours of operation at the location of the business in relation to other Village Center businesses without on-site customers. Common terms for a business under this category may include a business office, office research, general service, health care and social assistance. Nonetheless, businesses without customer traffic may be allowed by approval of the Plan Commission if the business adds significance to the Village Center; such as the business is an employment generator, the aesthetic appeal of the business or the building in which the business is located, or the existing floor plan of the building or tenant space is designed for an office environment.
- c. A ground floor or 1st floor use facing street means a use with an exterior building wall side facing or along a public right-of-way, which is partially or fully below street level or is at street level.
- d. A ground floor or 1st floor use not facing a street means a use without any exterior building wall side facing or along a public right-of-way. If a use only has an entrance facing or along a public right-of-way, with the entrance leading to the use via a corridor or stairwell, the use is considered a ground floor or 1st floor use not facing a street.
- e. An upper floor use means any use located within a building above the 1st floor with accessibility via a stairwell or elevator.
- f. Wholesaling or jobbing shall be permitted only where retailing is the primary use of the premises. The manufacture, assembly, processing or packaging of goods shall be permitted only when accessory to a permitted use or conditional use. All goods produced on the premises shall be sold at retail on the premises.
- g. All business, servicing, storage and display of goods shall be conducted within completely enclosed buildings. The following activities and uses are exempt from this requirement.
 - i. Accessory off-street parking and loading.
 - ii. Outdoor seating provided by a restaurant, or any other eating or drinking establishment. Any outdoor seating requires a conditional use.

- iii. Any unified special community event that encourages outside display of goods, not to exceed three consecutive days.
- h. Uses that meet the criteria for permitted uses within this Section 100-518 (d) shall be approved by the Zoning Administrator. The Plan Commission shall have the final authority if there is any question if a use meets the criteria for a permitted use.
- i. Any use forwarded to the Plan Commission for final determination may be remanded by the Plan Commission for conditional use consideration if deemed the proposed use requires addition review via a public hearing before final consideration.

(5) Performance Standards for a Temporary Use. The intent of this section is to accommodate reasonable requests for interim, temporary or seasonal use within an enclosed building when such activities are desirable and beneficial for the community for limited periods of time. Examples of a temporary use include a health clinic and temporary inoculation center, seasonal sales or display, and use of a temporarily vacant business space for a short term use such as an art gallery or seasonal sales of decorations. Allowance of temporary uses does not supersede regulations pertaining to specific temporary uses included in other code sections of Chapter 100, or other building and health and safety codes. No construction activity or building alterations shall occur to facilitate the temporary use. The Zoning Administrator may take actions to cease operation of any temporary use that does not conform to the standards of this paragraph.

(6) Performance Standards for Residential. Residential allowed as a permitted use or a conditional use within the sub-districts of the Village Center Overlay Zoning District, shall comply with the following performance standards. Residential shall mean an single family building, an individual dwelling unit or group of dwelling units within a mixed use building with business as the main ground floor or 1st floor use, or within a building primarily designed for multi-family residential.

- a. Within the Retail Center and Multi-Purpose Perimeter sub-districts, there shall not be any limitation on the number of residential dwelling units within a building or on a property, subject to compliance with permitted use or conditional use criteria, minimum living area standards, bulk regulations and parking regulations of this Section 100-513.
- b. Residential within the Retail Center sub-district shall be located only within a building having permitted business space.
- c. Residential shall conform to all other applicable State of Wisconsin and Village codes for residential construction and public safety.
- d. Within the Retail Center sub-district, a church or religious institution shall be limited to one dwelling unit for an on-site parsonage for rector and rector's family of a church or religious institution. Rector means the spiritual leader of a church or religious institution.
- e. Within the Retail Center, Institutional Center or Multi-Purpose Perimeter sub-districts, each residential dwelling unit shall have a minimum living area of 750 square feet for a one-bedroom or efficiency unit, or a minimum of 950 square feet for a two-bedroom unit or more than two bedroom unit. Any studio apartment residence at a minimum living area of 600 square feet shall require a conditional use.

- f. Within the Residential Perimeter sub-district, the number of residential dwelling units within a building or on a property shall be subject to the regulations of the Base Zoning District for single family, two-family or multi-family, whichever applies.
- g. A Secondary Suite is allowed in a single family dwelling within the Residential Perimeter sub-district as defined in this Chapter 100 and allowed in accordance to the standards of the base zoning district.
- h. The location of residential within a building shall conform to the descriptions of Section 100-153 (f) (4), (c), (d) and (e) in regards to ground floor or 1st floor use facing or not facing a street, or upper floor use.

(g) Bulk Regulations.

(1) Bulk regulations for lot area requirements, building setbacks and building size per sub-district within the Village Center Overlay Zoning District are as follows:

	Retail Center	Multi-Purpose Perimeter	Residential Perimeter
<i>Lot Area Requirements</i>			
Minimum Lot Area	None, except sufficient size required for the allowable building	None, except sufficient size required for the allowable building	8,712 square feet for Single Family and Two-Family, 18,000 for Multi-Family*
Minimum Lot Width	None, except each lot shall have sufficient frontage along a public street	None, except each lot shall have sufficient frontage along a public street	66 feet, except wider lot may be required if multi-family allowed
Minimum Lot Dimensions	None	None	None
Maximum Lot Coverage, Buildings Only	100 Percent, except as listed below	100 Percent, except as listed below	50 Percent
Minimum Green Space	None, except as listed below**	None, except as listed below**	30 Percent
<i>Building Setbacks</i>			
Minimum Street Yard****	None, except as listed in (2) below	None, except as listed in (2) below	Existing Condition or requirement of the Base Zoning District, whichever is less***
Minimum Interior Yard	None, except as listed in (2) below	None, except as listed in (2) below	Existing Condition or requirement of the Base Zoning District, whichever is less***

	Retail Center	Multi-Purpose Perimeter	Residential Perimeter
Minimum Rear Yard	None, except as listed in (2) below	None, except as listed in (2) below	Existing Condition or requirement of the Base Zoning District, whichever is less***
Building Size			
Maximum Height	3 stories or 35 feet	3 stories or 35 feet	30 feet
Minimum Height	2 stories	2 stories	None
Minimum Floor Area of Principal Building	1,200 square feet or larger to be proportionate to lot size	2,000 square feet or larger to be proportionate to lot size	As required by Base Zoning District

*See Section 100-153 (f) (1) for additional standard of when single-family, two-family and multi-family are allowed, and additional minimum lot size standards if allowed, in the Residential Perimeter.

**Green space exceptions: May be required for storm water management or parking lot or as required under site plan review.

***Existing condition means the building setbacks for the principal structure on the property existing at the time of the adoption of this Section 100-153.

****The maximum street yard setback, also known as the build-to line, shall be the average street setback of buildings on the same block between two intersecting streets, or an intersecting street and the edge of the sub-district. When there are not any existing buildings within the same block, or when an excessive street setback of an existing building on the same block creates an average setback that is inconsistent with the intent of this Village Center Overlay Zoning District to create minimal street setbacks, the Plan Commission shall establish a build-to line pursuant to the intent of creating street level activity. Expanded or renovated existing buildings that do not conform to the maximum street yard setback may nonetheless be allowed to be expanded or renovated.

(2) The exceptions to the standards of Section 100-153 (g) (1) minimum yard requirements (setbacks) for a building or structure are:

- a. The first story of a building on a corner lot shall not project beyond a straight line drawn between two points on the right-of-way lines adjoining the property, which points are five (5) feet from the intersection of the two right-of-way lines.
- b. New construction or additions that abut a building or structure on a neighboring property with no side or rear setback, the property owner shall provide written approval from the neighboring property owner to abut the two buildings or structures. If written approval is not provided, the minimum side setback shall be ten (10) feet.
- c. The minimum interior yard setback for new construction or an addition shall be ten (10) feet on the interior side of a property that is adjacent to a single-family or two-family property either within or outside of the Village Center Overlay Zoning District.
- d. The minimum rear yard setback for new construction or an addition shall be 25 feet on a property that is adjacent to a single-family or two-family property either within or outside of the Village Center Overlay Zoning District.
- e. When there are no required setbacks, new construction or an addition shall not extend into a public right-of-way or a neighboring property, even if the existing building on the property encroaches the public right-of-way or a neighboring property line.

(3) Exceptions to the standards of Section 100-153 (f) (1) for setbacks and minimum green space may be required by the Plan Commission during site plan review to comply with storm water management requirements, to add landscaping to parking lots, to add pedestrian friendly or outdoor public spaces, or to improve overall aesthetics of the property and the Village Center. Exceptions may include increasing or decreasing the standards.

(4) Accessory structures within the Village Center Overlay Zoning District shall conform to the bulk standards as established in the Base Zoning District.

(h) Performance Standards for New Construction, Additions, Conversions, Exterior Remodels or Demolitions. The following performance standards shall apply to new construction, additions, exterior remodels or demolitions within the Village Center Overlay Zoning District.

(1) Any new construction or addition on a property 0.5 acre or more in size shall be developed under a single development plan with a unified architectural scheme and site plan, to include building facades, street furniture and pedestrian circulation.

(2) Site plan and architectural approval by the Plan Commission is required for new construction, additions or conversions pursuant to the procedures of Section 100-601. Architectural approval by the Plan Commission is required for exterior remodels, pursuant to the procedures of Section 100-601. Single-family and Two-family buildings within the Residential Perimeter sub-district are exempt from this review requirement. Site plan and architectural approval shall be part of conditional use review if a use requires a conditional use.

(3) Architectural design and exterior building materials and colors of new construction, additions or exterior remodels shall conform to the requirements of the Base Zoning District. However, the Plan Commission may adopt architectural design guidelines to further implement the intent and purposes of the Village Center Overlay Zoning District and its sub-districts, which may be amended from time to time.

(4) Historical review shall be part of site plan and/or architectural approval, or approval or denial of demolitions, pursuant to Article III of this Chapter 100. Buildings within the Pearl and Grand Avenue Historic District and other buildings listed on the National Register of Historic Places, as shown on the Official Map on file in the Office of the Village Clerk, shall be preserved. The Plan Commission may adopt additional guidelines for historic review and preservation of buildings or uses of local historic significance to further implement the intent and purposes of the Village Center Overlay Zoning District and its sub-districts, which may be amended from time to time.

(5) The demolition of any principal building, or an accessory building over 200 square feet, within the Village Center Overlay Zoning District shall be approved by the Plan Commission prior to demolition. The Plan Commission shall establish findings of fact in determining approval or denial of a demolition. Approved demolitions shall conform to the following standards.

- a. The building or land does not have national, statewide or local historical significance; and there is not a stated public purpose or interest in the land or building to be protected.

- b. The building or land does not have any historic or architectural relationship to the historic value of the surrounding area.
- c. The public necessity of the demolition is present and the public benefit of the proposed new construction or land use in replacement of the demolished building supports the intent and purposes of the Village Center Overlay Zoning District and its sub-districts.
- d. The age, life expectancy or condition of the building or positioning of the building on the property prohibits successful renovation to comply with other standards of the Village Center Overlay Zoning District.

A proposed building demolition that does not meet the above standards shall be denied unless the Plan Commission finds that demolition provides a public benefit of improvement of land use and aesthetics of the Village. Any move or relocation of a building within the Village Center Overlay Zoning District shall follow the review process and standards as established for demolitions. Any relocation of a building to a property within the Village Center Overlay Zoning District shall require site plan and architectural review by the Plan Commission.

(6) The use of green roofs is strongly encouraged with new construction or additions.

(7) The creation of pedestrian connections within and surrounding the property to other pedestrian paths is encouraged with new construction or additions. Creative site planning of including public spaces and orienting the building, parking, public spaces, pedestrian connections, and so on, to fit in and improve to surrounding conditions is strongly encouraged.

(8) Design standards for mechanical equipment and refuse enclosures shall conform to the requirements of the Base Zoning District. However, the Plan Commission may adopt mechanical and refuse enclosure standards as part of architectural design guidelines to further implement the intent and purposes of the Village Center Overlay Zoning District and its sub-districts, which may be amended from time to time.

(9) Exterior lighting fixtures shall be designed or shaded so as to avoid casting direct light or glare toward surrounding properties or streets, and shall conform to the lighting standards of Section 100-601. However, the Plan Commission may exterior lighting standards as part of architectural design guidelines to further implement the intent and purposes of the Village Center Overlay Zoning District and its sub-districts, which may be amended from time to time.

(10) Landscaping standards shall conform to the requirements of the Base Zoning District. However, the Plan Commission may adopt landscaping guidelines to implement the intent and purposes of the Village Center Overlay Zoning District and its sub-districts. The Plan Commission may waive the landscaping requirements or guidelines when there is not any suitable space on the site to install landscaping, or if the installation of landscaping compromises visibility of pedestrians and/or vehicles.

(11) Conversions mean the change of use of an existing building from a single family residential use to a permitted or conditional use allowed within the sub-district, or adding residential dwelling units to an existing building if allowed as a permitted or conditional use within the Retail Center or Mixed Use Perimeter sub-districts. An example of a conversion is the change of a single family building within the

Mixed Use Perimeter to an office, or the change of an upper floor office space within the Retail Center to residential dwelling units.

(12) Signs shall conform to Chapter 64 of Village of Mukwonago Municipal Code.

g) Parking Standards. The standards for vehicle parking within the Village Center Overlay Zoning District are as follows. For most small businesses the providing of on-site parking is not required, and on-street and off-street parking is the responsibility of the Village of Mukwonago. Businesses that are required to provide on-site parking shall do in accordance to the standards of Article V of this Chapter 100. Shared parking agreements allowed in Section 100-153 (h) may supplement the requirements of this Section 100-153 (g).

(1) Accessory off-street parking is not required for a building with less than 2,500 square feet of gross leasable floor space designed for a business or businesses within the Retail Center or Multi-Purpose Perimeter sub-districts or if the business or use would be required to provide 10 or less parking spaces if the business or use were not located within the Retail Center or Multi-Purpose Perimeter sub-districts. Any business approved as a conditional use may be required to provide accessory off-street parking if the Plan Commission finds that the parking demand of the use is greater than would needed if a permitted use occupied the business space.

(2) Accessory off-street parking is required for any building with a gross leasable floor space of 2,500 square feet or larger designed for a business or businesses within the Retail Center or Multi-Purpose Perimeter sub-districts or if a high capacity business or use would be required to provide more than 10 parking spaces if the business or use were not located within the Retail Center or Multi-Purpose Perimeter sub-districts. In a multi-purpose building designed for both business and residential, the residential square footage does not count toward the gross leasable space of 5,000 square feet or larger. If above 2,500 square feet, accessory off-street parking is required for any use within the Residential Perimeter sub-district in conformance with the standards of Article V of this Chapter 100.

(3) One (1) accessory off-street parking space is required per bedroom in each residential dwelling unit within the Retail Center and Multi-Purpose Perimeter sub-districts. A bedroom is any living space not considered a living room, kitchen, bathroom or dining room, for the purpose of this Section 100-153.

(4) Accessory off-street parking is required for any use within the Residential Perimeter sub-district in conformance with the standards of Article V of this Chapter 100.

(5) Conversions of an existing residential structure to a permitted use or conditional use within the Multi-Purpose Perimeter may retain the existing driveway as parking spaces for the new use.

(6) For uses within the Retail Center or Multi-Purpose Perimeter sub-districts of the Village Center Overlay Zoning District that require off-street parking, or if off-street parking is voluntarily provided, off-street parking facilities design shall comply with all requirements of Article V of this Chapter 100, except as provided below:

- a. For business off-street parking, a minimum of four (4) spaces shall be provided, including at least one (1) handicapped parking space.

- b. For residential off-street parking, a parking requirement of four (4) or more spaces shall include at least one (1) handicapped parking space.
- c. A minimum setback of three (3) feet shall be provided between the edge of parking lot paving and/or curb and the property line.
- d. The parking lot shall be paved with a dust free surface. The use of curb and gutter to outline the parking area is encouraged.
- e. The Plan Commission as part of site plan review may reduce the parking lot aisle width and parking stall size (except handicapped parking spaces) to match existing parking lot sizes or to fit parking into a confined space on a property, without reducing public safety and the ability of proper movements of vehicles and emergency vehicles.
- f. The Plan Commission as part of site plan review may waive the parking lot aisle width and parking stall size when an existing driveway is utilized as parking for a residential to business conversion.
- g. The addition of internal and external parking lot landscaping is encouraged.
- h. The design of accessory off-street parking shall include safe pedestrian routes within and to and from the parking lot.

(h) Shared Parking. When accessory off-street parking is required or voluntarily provided within the Village Center Overlay Zoning District, the utilization of shared parking between uses and properties is encouraged in accordance with the following standards.

(1) Any use required to provide accessory off-street parking may reduce its parking requirement by up to 75% if an equivalent number of spaces to the amount being reduced are located within five hundred (500) feet of the property of the use, and shall be subject to a Shared Parking Agreement. The shared parking may be the parking of any other use inside or outside of the Village Center Overlay Zoning District.

(2) Credit for parking spaces which are the subject to a Shared Parking Agreement shall be applicable only when the parties to the Agreement are property owners whose property uses have parking demands which are inconsistent with each other (i.e. daytime v. evening, weekdays v. Saturday and/or Sunday). The total off-street parking requirements of the parties of the Shared Parking Agreement may exceed the total number of off-street parking spaces available. The Shared Parking agreement may extend beyond two property owners.

(3) The Shared Parking Agreement shall be subject to the reasonable approval of the Village Board, pursuant to the recommendation of the Plan Commission, and the following conditions are met:

- a. The agreement shall be signed by the owners of properties, and if necessary owners of the uses, included in the agreement.
- b. Termination shall require written notice to the non-terminating party or parties and the Village Clerk.
- c. Termination shall not become effective sooner than six (6) months following the date of the written termination notice.

(j) Administration. Administration of this Section 100-153 shall be guided by the following terms and conditions.

(1) The Base Zoning District is the primary Zoning District that applies to a property. Every property within the Village Center has a Base Zoning District that establishes the primary type and intensity of land use for the property, along with development regulations of this Chapter 100 for that particular type and intensity of land use for the property. The standards within this Section 100-153 apply to all properties of the Village Center Overlay Zoning District in lieu of the type and intensity of land use and the development regulations of the Base Zoning District. If situations arise of the type and intensity of land use and with property maintenance that are not addressed within the standards of the Village Center Overlay Zoning District, development regulations of the Base Zoning District and this Chapter 100 shall apply. However, any aspect of the development regulations of the Base Zoning District or Chapter 100 not addressed in the Village Center Overlay Zoning District may conflict with and restrict a new use, redevelopment or new development that otherwise meets the intent of, is permitted in, and conforms to other standards of the Village Center Overlay Zoning District. When a conflict in regulation is identified, upon finding that the intent of the Village Center Overlay Zoning District is maintained, the Plan Commission may waive the conflicting regulation or establish alternative criteria for the new use, redevelopment or new development to adhere to.

(2) The bulk standards of lot size and lot width and/or frontage of Section 100-153 (g) supersede any similar requirement of Chapter 45, Land Division, of Village of Mukwonago Municipal Code.

(3) Including standards elsewhere within this Section 100-153 addressing nonconforming uses, the following shall apply to nonconforming uses.

- a. Any businesses currently existing and permitted in the Base Zoning District as of (date of adoption of ordinance) that may not be allowed as a permitted use or a conditional use within the sub-district of this Village Center Overlay Zoning District may nonetheless continue within the existing space, and shall be allowed to continue to improve the business, such as façade improvements and change of and use of signs in compliance with Chapter 64. However, the floor space of a nonconforming business shall not be expanded. If the business vacates the floor space, or if an existing business changes its business model, the new business occupying the floor space shall be either a permitted use or a conditional use with the sub-district.
- b. A building with a use or uses that may not be allowed as a permitted use or a conditional use within the sub-district of this Village Center Overlay Zoning District may nonetheless expand without changing the nonconforming use or uses. However, occupancy of the expansion must be a permitted use or a conditional use within the sub-district. An example of this occurrence is if a building in the Retail Center sub-district is expanded or remodeled on the upper floors to add residential dwelling units. In that case, any nonconforming 1st floor business use may remain.
- c. A building with a use or uses that may not be allowed as a permitted use or a conditional use within the sub-district of this Village Center Overlay Zoning District may nonetheless complete façade improvements without changing the nonconforming use or uses.

(4) The terms existing use, existing condition or similar term means the property use or uses, building, or conditions that existed at the time of adoption of this Section 100-153.

(5) Within this Section 100-153, the terms building and structure are applied interchangeably.

(6) The Zoning Administrator shall be responsible for administration of this Section 100-153, along with the Plan Commission when site plan or architectural plan approval are required. The Zoning Administrator may refer any matter pertaining to the interpretation of any standard this Section 100-513 to the Plan Commission for advice or recommendation.

(7) Any person aggrieved by a decision of the Zoning Administrator or Plan Commission in the administration of this Section 100-153 may appeal the decision to the Village of Mukwonago Board of Zoning and Building Appeals.

Exhibit A
Village Center Overall Zoning District
And
Sub-Districts





Committee/Board:	EDC
Topic:	TIF Policy, Developer Incentives, Redevelopment TIF Policy
From:	JSW
Department:	VA
Presenter:	-
Date of Committee Action (if required):	-
Date of Village Board Action (if required):	-

Information

Subject:

TIF Policy, Developer Incentives, Redevelopment TIF Policy

Background Information:

Most TIF policies deal with redevelopment. Ours will as well. Please read the materials and think about how TIF could be used for redevelopment in Mukwonago. We will discuss at a later meeting.

Key Issues for Consideration:

How to use TIF for Downtown Redevelopment, if at all. Think of it this way, if it can be done in a normal TIF (land acquisition, public improvements, etc.), it can be done in a redevelopment TIF (with minor exceptions). The Lynch acquisition by the Village is a redevelopment TIF (will be). The remediation of contaminants on the site would not have happened but for TIF funds being used for land acquisition and remediation assistance, including testing and obtaining closure from the DNR. Further, redevelopment into mixed-use residential may not occur without other assistance for site prep (due to the high water tables and proximity to the lake). That remains to be seen, but would serve as another reason to use TIF for redevelopment.

Please think about areas that could someday be redeveloped, what you would like to see happen with parking, pedestrian travel, walkability and amenities such as public restrooms, shade, and seating. What would a business like to see done with the downtown? A resident? A shopper?

Fiscal Impact (If any):

TIF can make redevelopment more achievable and desirable by the private sector and provides tools for the municipality to spark, facilitate, or exert control over its redevelopment future. The Village has used TIF for new development with great success. While jobs, new tax value, and community vibrancy are all financially supported by TIF, direct proceeds to taxpayers (e.g. abatement at TIF closure) is delayed by 20 – 25 years or through the payback period.



Requested Action by Committee:

Read the materials. Develop a list of questions for Diana, myself, and Bruce to research. We will find answers. Then, we will bring our financial advisor in for a roundtable in the future and discuss how the EDC sees redevelopment TIF policy contributing to the success of the downtown (if at all).

Attachments

Already in packet. TIF Policy. TIF Developer Application.

SAMPLE

VILLAGE OF MUKWONAGO

TAX INCREMENTAL FINANCING (TIF) POLICY

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VILLAGE OF MUKWONAGO

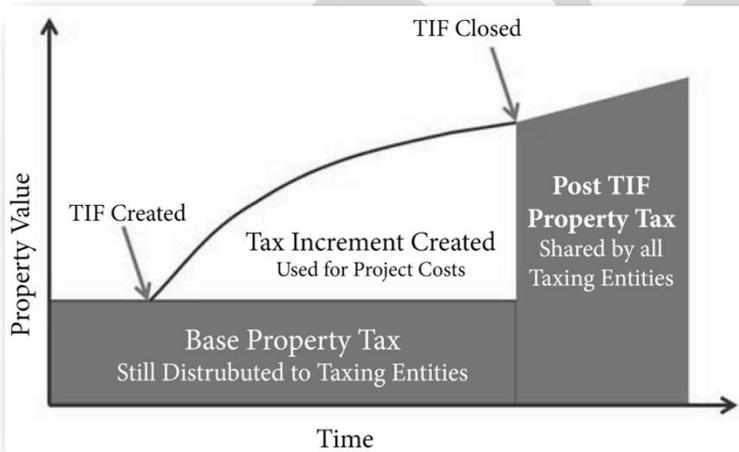
TAX INCREMENTAL FINANCING (TIF) POLICY

What is TIF?

Tax Incremental Financing (TIF) is a financial tool widely used by local municipalities to spur economic development which would otherwise not occur. The revenue generated within a Tax Increment District (TID) is used to pay for such things as public infrastructure, land acquisition and other public improvements within the TID boundaries. It can also be used to provide financial incentives to private developers who develop property in the district. The use of TIF varies from project to project and district to district. It can be used to create industrial parks or commercial areas in undeveloped areas within the Village or to promote redevelopment in older parts of the Village.

How Does TIF Work?

Property owners within a Tax Increment District (TID) pay the same tax rate as those outside of the TID on the full value of their properties. The tax revenues generated on properties within the



TID are split into two components. Revenues generated on the original base value of the TID properties, which is determined at the time the district is created, are allocated among various taxing jurisdictions in the same manner as non-TID properties. The portion of tax attributable to the increase in value from development, called the increment, is placed in a separate fund that is used to pay for project costs incurred by the Village. The Village normally issues debt to pay for the necessary public

improvements, so the increment retained is primarily used to repay debt service. Once all project or debt service costs are recouped by the increment generated, or when the period of time a TID can exist has lapsed, the TID is closed and 100% of the future property taxes assessed on the properties are shared by all of the taxing entities.

Purpose of a TIF Policy

The purpose of this Policy is to articulate to existing or potential businesses the Village of Mukwonago'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.

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 Increment Districts are found in Wis. Stats. 66.1105. The Village of Mukwonago will undertake a rigorous analysis to ensure proposed projects satisfy the "but for" test embodied within the statutes and also reserves the right to be more restrictive than provided under the statutes.

Basic Provisions

As a matter of policy, the Village of Mukwonago will use Tax Incremental Financing only when a clearly identified Village development objective is served and only to the degree necessary to accomplish that development objective. The Village 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 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 on the Village to make the case for the developer. Should this “but for” determination not be made, Tax Incremental Financing for the project cannot be approved.

TIF Objectives

The Village will consider utilizing Tax Incremental Financing to meet the following basic objectives:

1. Stimulate and revitalize the Village:
 - a. Improving infrastructure;
 - b. Creating a variety of housing opportunities to increase sustainability;
 - c. Preventing or eliminating slums and blighting conditions;
 - d. Constructing mixed-use developments;
 - e. Attracting desirable businesses and retaining existing businesses.
 - f. Encouraging development projects that enhance the streetscape and pedestrian experience and improve the vitality of the downtown area by adding interest and activity on the first floor of mixed-use buildings.
2. Promote efficient usage of land through redevelopment of blighted areas.
3. Strengthen the economic base of the Village and support Economic Development.
4. Stabilize and upgrade targeted neighborhoods.
5. Create and retain family supporting jobs in the Village.
6. Increase property values and tax revenues.
7. Leveraging the maximum amount of non-Village funds into a development and back into the community.

What Development is Eligible?

The type of development that 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 Village office and retail development.

5. Projects that promote neighborhood stabilization or revitalization.
6. Projects that promote industrial 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 its 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. Office and retail development outside of the central Village unless part of a Village owned business or industrial park.
4. Stand-alone residential development projects unless limited by site and environmental conditions beyond which make the project financially infeasible.
5. 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 Mukwonago 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 the 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. 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, Downtown Action Plan, Riverwalk Plan, Vision Report, Consolidated Plan, Stormwater 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: a. Remodeling/Rehabilitation/Demolition b. Environmental Remediation c. Capital purchases d. Facility expansion e. Public infrastructure	20
5. Proposed employment potential. 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, Village Board, 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 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. 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 review.
6. The Village Board may approve or deny the proposal to create the Tax Increment District. The Village 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.
7. If approved, a Development Agreement is drafted and negotiated between the Village and Developer.
8. Once general agreement has been reached on the terms of the Development Agreement, it will require approval by the Village Board.
9. 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 Mukwonago 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 (IRR) at specified periods of time after project completion. The IRR 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 IRR 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.

VILLAGE OF MUKWONAGO

TAX INCREMENTAL FINANCING APPLICATION

TAX INCREMENTAL FINANCING APPLICATION 1

Applicant Information..... 1

Project / Property Information..... 2

 Project Narrative 2

 Project Timeline..... 3

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Project Budget / Financial Information 4

 Use of Funds 4

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 Source Amount..... 4

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 Analysis of Financial Need..... 6

 Revenue Projections – Rental Project..... 7

 Revenue Projections – For-Sale Project 8

Attachments 9

 Summary Letter 9

 Project Narrative 9

 Filing Requirements..... 9

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 Agreement..... 10

Please complete and submit the following information to the Village of Mukwonago 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 Village of Mukwonago 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 Village reserves the right to reject or halt processing the application for incomplete submittals.

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

Applicant Information

Legal Name: _____

Mailing Address: _____

Phone: _____

Email: _____

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 (check one)? Yes No

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

Name	Address	Title	Interest

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 Mukwonago (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) ever been charged or convicted of a misdemeanor or felony? Yes No

If yes, please furnish details: _____

Project / Property Information

Project Narrative

Overall Project Summary and Objectives: _____

Current and Proposed Uses: _____

Description of End Users: _____

Describe any zoning changes that will be needed: _____

Identify any other approvals, permits, or licenses (i.e. Liquor License, Health Department, etc.): _____

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

Property Summary:	
Parcel / Land Area:	_____ SF
Building Area:	_____ SF
# of Dwelling Units:	_____
# of Stories:	_____
# of Parking Spaces:	_____

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: _____

Financial ability of the applicant to complete the project: _____

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

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

Identify the sources of funds used to finance 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 Preparation		
Soft Costs / Fees		
Soft Cost Contingency		
Hard Construction Costs		
Total Projected Costs		

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 Mukwonago and locations that are seriously being considered by the applicant.

Revenue Projections – 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			\$

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

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 of the following items with your signed application:

- **Fee:** An application fee of 1% for projects with assistance up to \$100,000, 2% for projects with assistance between \$100,000 to \$499,999, or 3% for projects with assistance at \$500,000 or greater. This fee is to cover Village costs associated with evaluating the TIF application. Make your check payable to the Village of Mukwonago.
- **Site Maps:** Provide a map that shows the location of the site. Also provide 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 or Village Board.

- **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 or Village Board.

Notes

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

Agreement

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

- I have read and will abide by all the requirements of the Village for Tax Incremental Financing.
- The information submitted is correct.
- 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.
- I understand that the Village reserves the right to deny final approval, regardless of preliminary approval or the degree of construction completed before application for final approval.
- The undersigned authorizes the Village of Mukwonago to check credit references and verify financial and other information.
- The undersigned also agrees to provide any additional information as may be requested by the Village after filing of this application.

Applicant Printed Name / Title

Applicant Signature

Date