



Community Development Authority
Meeting AGENDA
September 9, 2016 7:30 A.M.

Village Hall Second Floor Committee Room
3930 N. Murray Avenue, Shorewood, WI 53211

1. Call to order.
2. Consideration of July 6, 2016 meeting minutes.
3. Presentation from Ehlers & Assoc regarding Tax Increment District #1 projections.
4. Presentation by Village Finance Director on procedures to transfer funds from Tax Increment District #1 to CDA.
5. Discussion and potential consideration on façade grant program updates.
6. Discussion and potential consideration on business loan program updates.
7. Update on CDA working groups.
8. Discussion of the CDA Project List and associated initiatives.
9. Future agenda items.
10. Scheduling of future meetings.
11. Adjournment.

DATED at Shorewood, Wisconsin, this 2nd day of September, 2016.

VILLAGE OF SHOREWOOD
Tanya O' Malley, Village Clerk WCPC

Should you have any questions or comments regarding any items on this agenda, please contact the Village Manager's Office at 847-2700. 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. Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals

Community Development Authority Project List

Updated 9-2-2016

Project or Program	Status	Comment
Metro Market Redevelopment	Completed	
Mixed Use Development Oakland/Olive	In process.	Retail completion Fall 2016. Rest February 2017.
Sherman Redevelopment	In process	Construction start delayed for DNR soil review.
<hr/>		
CDA Financial Plan and Projections	Ongoing	The CDA 2015 Annual Financial Report was completed and presented at a joint meeting of CDA and Village Board. Reviewed TID#1 closing scenarios.
Future CDA Strategies and Plans	In Process	Consolidated list from Master Plan. Completing member initiatives survey priorities and opportunities.
Commercial Business Recruitment and Retention	In process	Expect increased emphasis due to current vacancies and added Metro Market opportunities. Working on a restaurant opportunity.
Façade Program	Ongoing	Revisions completed February 2016. Further discussing program.
Business Incentive Loan Program	In process	CDA discussion April - June. Consideration September 2016
Work Group Update: Retail Relations		Continue efforts for Mixed Use tenant mix.
Work Group Update: Developer Relations		Meeting held late March and will continue quarterly meetings to understand market and Shorewood need.
Work Group Update: Community Outreach		Update provided to CDA 6/3/16.
Work Group Update: Ped and Bike Safety		
Work Group Update: Finance		



AT THE EDGE OF THE CITY AND
THE HEART OF EVERYTHING

FINANCE DIRECTOR'S MEMO

September 9, 2016

TO: Community Development Authority
FROM: Mark Emanuelson, Finance Director
RE: CDA program activities transition

Based upon the actions taken by the Village Board at the February 17, 2016 joint meeting with the CDA, the Village Board has authorized a number of fund transfers to the CDA to support the continuation of the Façade program (\$330,000), the Business Loan program (\$200,000), and other ongoing costs related to CDA activities (\$308,500). These transfers were also contingent on the following actions:

- Village Board confirmation that TID 1 will still have the capacity to close in 2021 if said transfers were made based on updated projections using the 2016 tax and increment amounts when they become available;
- Obtaining the Village Board's approval of an updated CDA Business Loan Program plan.

In order to facilitate as smooth of a transition as possible for these CDA programs, as they transition from being viewed as primarily TID#1 project plan activities, to more general CDA activities with these fund transfers, staff would make the following recommendations to the CDA:

- The CDA will need Village Board approval of an updated Business Loan Program
- The CDA will need to report to the Village Board to confirm that the TID 1 will still have the capacity to close in 2021 if these transfers were made using the updated 2016 valuations.
- The CDA will need to request that the Village will be the fiscal agent of the CDA and request adoption of a Village Board Resolution to establish a separate and segregated special revenue fund within the village fund structure to record CDA program activities.
- The CDA will need to develop a memorandum of understanding with the Village to define how municipal support services for CDA activities will be assigned to the CDA. This MOU should also consider issues of liability insurance, 1099 reporting, auditing requirements, or other items that may be pertinent with the Village.
- The CDA will need to request an effective date for the transfers as described above, as well as any TID 1 receivable balances from the existing Business Loan Program recipients.

Staff recommends the following timetables to achieve these goals:

September 9th CDA meeting

- Review of Finance Director's CDA program activities transition memo
- Review of updated TID 1 financial projections
- Review of Façade and Loan Program updates

October 7th CDA meeting

- Recommend to the Village Board; Façade and Loan Program Updates
- Present to the Village Board for confirmation; Updated TID 1 financial projections
- Recommend to the Village Board; MOU for Village support services to CDA
- Recommend to the Village Board; Resolution for the village to act as the fiscal agent for the CDA and to establish a special revenue fund to record CDA transactions.
- Recommend to the Village Board; Execution of the transfer of funds as approved at the February 17, 2016 Village Board meeting and any current existing Business Loan Program receivable balances.

Thank you for your time and consideration.



September 7, 2016

Shorewood Community Development Authority
Shorewood, WI

RE: Tax Increment District Pro-Forma Update and Analysis

Ehlers provided the CDA with a comprehensive report and analysis of Tax Increment Districts 1, 3, 4 and 5 dated February 10, 2016. This was based upon data as of December 31, 2015.

Since that date, the Wisconsin Department of Revenue has provided its annual certification of property values for each Tax Increment District as of 1/1/2016. This report was issued publicly on August 15, 2016. Accordingly we have updated our projections on each district, taking into account the DOR report as well as any knowledge of construction planned or underway in each of these districts.

Please find attached the analysis for each district. This updates our projections of 2/10/16.

Below is a brief summary for each district:

	TID 1		TID 3		TID 4		TID 5	
	10-Feb	7-Sep	10-Feb	7-Sep	10-Feb	7-Sep	10-Feb	7-Sep
Value 1/1/2016	57,669,800	63,172,300	31,099,102	18,767,500	16,255,000	16,208,000	25,636,012	20,211,100
Estimated Closure	2021	2021	2028	2028	2028	2028	2027	2029
							No Loan to Dev =	2025

Finance Director Mark Emanuelson provided projected 2016 year end TID Cash Balances as well as any additional assumptions to be used for expenditures beyond scheduled debt payments for each district.

Our conclusion is that these districts are still generally on track with our overall projections made earlier this year. I look forward to reviewing these with you at your meeting on Friday.

Very Truly Yours,

Michael C. Harrigan, CIPMA
Chairman / Sr. Financial Advisor

CC: Chris Swartz, Village Manger
Mark Emanuelson, Finance Director
Dawn Gunderson, Ehlers



Village of Shorewood, WI

09-6-2016 Estimates



Tax Increment District No. 1 Development Assumptions



Construction Year	Actual	Development Based upon Capital Projects	Adjustment for Village Acquisition for PD	Annual Total
1995				0
1996	4,484,300			4,484,300
1997	2,531,200			2,531,200
1998	256,700			256,700
1999	4,237,500			4,237,500
2000	4,452,300			4,452,300
2001	2,020,200			2,020,200
2002	3,389,100			3,389,100
2003	5,787,400			5,787,400
2004	14,175,800			14,175,800
2005	4,374,600			4,374,600
2006	7,301,500			7,301,500
2007	(652,200)			(652,200)
2008	(6,485,000)			(6,485,000)
2009	2,337,500			2,337,500
2010	63,925,300			63,925,300
2011	0			0
2012	290,000			290,000
2013	44,300,800			44,300,800
2014	10,595,100			10,595,100
2015	5,502,500			5,502,500
2016			(3,203,700)	(3,203,700)
2017				0
2018				0
2019				0
2020				0
TOTALS	172,824,600	0	(3,203,700)	169,620,900

NOTES: No assumed additional new construction .



09-06-2016 Estimates



Based on Finance Dir. 2016 YE
Balance Projection w/o
additional capital expense.

Year	Revenues					Expenditures										Balances		Note	Project Cost Principal Outstanding	Year		
	Tax Increments	Investment Earnings	Computer Replacement	Loan Repayments	Total Revenues	Existing Debt Service										Annual	Cumulative					
						GO Community Development Bonds		GO Taxable Bonds		GO Bonds (Lighthouse Development)		GO Refunding		Contribution to CDA	Cash Funded Recurring costs						Total Expenditures	
					2008	2010B	2012	2013														
		0.25%				Prin (3/1)	Interest	Prin (3/1)	Interest	Prin (8/1)	Interest	Prin (5/1)	Interest	Total								
2016			19,089												838,500			9,825,000	2015			
2017	1,881,881	979	17,406	28,900	1,929,167	300,000	63,630	275,000	89,531	100,000	12,200	620,000	90,755	710,755		10,000	1,561,116	368,050	391,500	8,690,000	2016	
2018	1,875,159	1,899	15,872	28,900	1,921,830	325,000	54,180	300,000	78,163	100,000	10,200	625,000	72,080	697,080		10,000	1,574,623	347,208	759,550	7,395,000	2017	
2019	1,976,875	2,767	14,473	28,900	2,023,015	325,000	43,943	350,000	64,650	100,000	8,200	660,000	52,805	712,805		10,000	1,614,598	408,418	1,106,758	6,045,000	2018	
2020	2,079,738	3,788	13,198	28,900	2,125,624	325,000	33,705	400,000	48,313	100,000	6,200	690,000	36,005	726,005		10,000	1,649,223	476,401	1,515,176	4,610,000	2019	
2021	2,198,070	4,979	12,034	28,900	2,243,983	350,000	23,468	400,000	30,013	100,000	4,200	760,000	20,935	780,935		10,000	1,698,615	545,368	1,991,577	3,095,000	2020	
2022	2,318,049	6,342	10,974	0	2,335,365	395,000	12,443	425,000	10,306	110,000	2,200	555,000	6,383	561,383		0	1,516,331	819,033	2,536,946	1,485,000	2021	
Total	12,329,773	20,754	103,047	144,500	12,578,984	2,020,000	231,368	2,150,000	320,975	610,000	696,400	3,910,000	4,467,925	4,832,153	838,500	50,000	9,614,505	2,964,479		0		2022

NOTES: * 2016 Cash Balance of \$1,230,000 less \$838,500 contribution to CDA , Loan Repayments and Cash Funded Recurring Costs as provided by Finance Director 9/6/16.

Totals for 2016 through 2022

Projected TID Closure

Village of Shorewood, Wisconsin

Tax Increment District # 3

Development Assumptions

Construction Year		Actual	Sherman Senior Housing Project	Annual Total	Construction Year	
1	2008	(662,100)		(662,100)	2008	1
2	2009	269,400		269,400	2009	2
3	2010	(4,249,400)		(4,249,400)	2010	3
4	2011	455,200		455,200	2011	4
5	2012	(877,500)		(877,500)	2012	5
6	2013	546,100		546,100	2013	6
7	2014	9,649,900		9,649,900	2014	7
8	2015	13,635,900		13,635,900	2015	8
9	2016			0	2016	9
10	2017		16,348,742	16,348,742	2017	10
11	2018			0	2018	11
12	2019			0	2019	12
13	2020			0	2020	13
14	2021			0	2021	14
15	2022			0	2022	15
16	2023			0	2023	16
17	2024			0	2024	17
18	2025			0	2025	18
19	2026			0	2026	19
20	2027			0	2027	20
21	2028			0	2028	21
22	2029			0	2029	22
23	2030			0	2030	23
24	2031			0	2031	24
25	2032			0	2032	25
26	2033			0	2033	26
27	2034			0	2034	27
Totals		18,767,500	16,348,742	35,116,242		

Notes: Estimates of value reflect delay in project and are net of base value, as provided by developers.
Subject to review by Village Assessor.

9/7/2016

Village of Shorewood, Wisconsin

Tax Increment District # 3

Tax Increment Projection Worksheet

Type of District	Rehabilitation		Base Value	7,748,400	<input checked="" type="checkbox"/> Apply to Base Value
Creation Date	July 14, 2008		Property Appreciation Factor (2015)	0.50%	
			Property Appreciation Factor (2016)	1.00%	
			Property Appreciation Factor (2017)	1.50%	
			Property Appreciation Factor (2018 & 2019)	1.75%	
			Property Appreciation Factor (Thereafter)	1.75%	
Valuation Date	Jan 1,	2008	Base Tax Rate	\$29.91	
Max Life (Years)	27		Rate Adjustment Factor (Next 2 Years)	-0.50%	
Expenditure Periods/Termination	22	7/14/2030	Rate Adjustment Factor (Following 1 Year)	-0.50%	
Revenue Periods/Final Year	27	2036	Rate Adjustment Factor (Thereafter)	-0.50%	
Extension Eligibility/Years	Yes	3	Tax Exempt Discount Rate	3.00%	
Recipient District	Yes		Tableable Discount Rate	4.50%	

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation
1	(662,100)	2009		(662,100)	2010		0	0	0
2	269,400	2010		(392,700)	2011		0	0	0
3	(4,249,400)	2011		(4,642,100)	2012		0	0	0
4	455,200	2012		(4,186,900)	2013		0	0	0
5	(877,500)	2013		(5,064,400)	2014		0	0	0
6	546,100	2014		(4,518,300)	2015	\$29.91	0	0	0
7	9,649,900	2015	0	5,131,600	2016	\$29.80	152,945	124,358	112,388
8	13,635,900	2016	0	18,767,500	2017	\$29.66	556,560	563,712	503,753
9	0	2017	397,739	19,165,239	2018	\$29.51	565,514	997,131	884,290
10	16,348,742	2018	470,989	35,984,969	2019	\$29.36	1,056,509	1,783,273	1,564,605
11	0	2019	765,334	36,750,303	2020	\$29.21	1,073,584	2,558,853	2,226,146
12	0	2020	778,727	37,529,030	2021	\$29.07	1,090,851	3,323,954	2,869,382
13	0	2021	792,355	38,321,385	2022	\$28.92	1,108,313	4,078,662	3,494,772
14	0	2022	806,221	39,127,607	2023	\$28.78	1,125,972	4,823,062	4,102,766
15	0	2023	820,330	39,947,937	2024	\$28.63	1,143,831	5,557,243	4,693,807
16	0	2024	834,686	40,782,623	2025	\$28.49	1,161,892	6,281,296	5,268,327
17	0	2025	849,293	41,631,916	2026	\$28.35	1,180,158	6,995,310	5,826,749
18	0	2026	864,156	42,496,071	2027	\$28.21	1,198,631	7,699,380	6,369,490
19	0	2027	879,278	43,375,349	2028	\$28.06	1,217,314	8,393,597	6,896,954
20	0	2028	894,666	44,270,015	2029	\$27.92	1,236,211	9,078,057	7,409,540
21	0	2029	910,322	45,180,337	2030	\$27.78	1,255,323	9,752,855	7,907,636
22	0	2030	926,253	46,106,590	2031	\$27.65	1,274,653	10,418,087	8,391,623
23	0	2031	942,462	47,049,053	2032	\$27.51	1,294,205	11,073,849	8,861,873
24	0	2032	958,955	48,008,008	2033	\$27.37	1,313,980	11,720,241	9,318,748
25	0	2033	975,737	48,983,745	2034	\$27.23	1,333,983	12,357,358	9,762,605
26	0	2034	992,813	49,976,558	2035	\$27.10	1,354,215	12,985,301	10,193,791
27	0	2035	1,010,187	50,986,744	2036	\$26.96	1,374,680	13,604,167	10,612,644
Totals	35,116,242		15,870,502		Future Value of Increment		23,069,323		

Notes:
 2017 is Estimated Timing of Sherman Project.. To be verified.



Village of Shorewood, Wisconsin

Tax Increment District # 3

Cash Flow Projection

Year	Projected Revenues						Expenditures										Balances			Year				
	0.25%						Taxable GO Refunding Bonds 440,000 Dated Date: 2013 A		Taxable G.O. Bond /Harbor 1,860,000 Dated Date: 01/05/15		PAYGO / MRO Sherman 5,500,000 Dated Date:			Exempt GO 2014 / Harbor Por 410,000 Dated Date: 10/23/14		Bluff Restoration *	Recurring Expenses	Developer Incentive *	Other District Costs *		Total Expenditures	Annual	Cumulative *	Principal Outstanding
	Tax Increments	Interest Earnings/ (Cost)	Capitalized Interest/ Premium	Bluff Restoration Grant *	Computer Aid	Total Revenues	Principal	Interest	Principal	Interest	Principal	Est. Rate	Interest	Principal	Interest									
2015																								2015
2016																								2016
2017	556,560			187,500	46	744,106	50,000	8,088	175,000	36,250				40,000	8,456	375,000	32,800	750,000	75,000	1,550,594	(806,488)	(756,488)	7,199,508	2017
2018	565,514				46	565,560	50,000	6,588	250,000	34,150				40,000	7,256		27,200			415,194	150,365	(606,122)	6,899,508	2018
2019	1,056,509				46	1,056,555	50,000	5,088	250,000	30,150	179,443	5.25%	288,750	40,000	6,056		27,200			876,687	179,868	(426,255)	6,420,065	2019
2020	1,073,584				46	1,073,630	55,000	3,788	250,000	25,400	188,864	5.25%	279,329	40,000	4,856		16,600			863,837	209,792	(216,462)	5,926,201	2020
2021	1,090,851				46	1,090,897	65,000	2,539	250,000	20,150	198,779	5.25%	269,414	40,000	3,656		16,600			866,138	224,759	8,297	5,412,422	2021
2022	1,108,313				46	1,108,359	80,000	920	280,000	14,400	209,215	5.25%	258,978	40,000	2,456		12,500			898,469	209,890	218,187	4,843,207	2022
2023	1,125,972				46	1,126,018			290,000	7,540	220,199	5.25%	247,994	45,000	1,406		12,500			824,639	301,379	519,565	4,333,008	2023
2024	1,143,831	1,299			46	1,145,176					231,759	5.25%	236,434		478		12,500			526,171	619,005	1,138,570	4,101,249	2024
2025	1,161,892	2,846			46	1,164,784					243,927	5.25%	224,266				12,500			480,693	684,091	1,822,661	3,857,322	2025
2026	1,180,158	4,557			46	1,184,760					256,733	5.25%	211,460				12,500			480,693	704,067	2,526,728	3,600,589	2026
2027	1,198,631	6,317			46	1,204,994					270,211	5.25%	197,982				12,500			480,693	724,301	3,251,029	3,330,378	2027
2028	1,217,314	8,128			46	1,225,488					284,398	5.25%	183,796				12,500			480,694	744,794	3,995,823	3,045,980	2028
2029	1,236,211	9,990			46	1,246,246					299,328	5.25%	168,865							468,193	778,053	4,773,876	2,746,652	2029
2030	1,255,323	11,935			46	1,267,303					315,043	5.25%	153,150							468,193	799,110	5,572,987	2,431,609	2030
2031	1,274,653	13,932			46	1,288,632					331,583	5.25%	136,610							468,193	820,438	6,393,425	2,100,026	2031
2032	1,294,205	15,984			46	1,310,234					348,991	5.25%	119,202							468,193	842,041	7,235,466	1,751,035	2032
2033	1,313,980	18,089				1,332,069					367,313	5.25%	100,880							468,193	863,876	8,099,342	1,383,722	2033
2034	1,333,983	20,248				1,354,231					386,597	5.25%	81,596							468,193	886,038	8,985,379	997,125	2034
2035	1,354,215					1,354,215					406,893	5.25%	61,300							468,193	886,022	9,871,402		2035
2036	1,374,680					1,374,680					760,724	5.25%	39,938							800,662	574,018	10,445,420		2036
Total	22,916,378	113,324	0	187,500	736	23,217,937	350,000	27,011	1,745,000	168,040	5,500,000		3,259,945	330,000	34,622	375,000	207,900	750,000	75,000	12,822,518				Total

Notes: * 2016 Cash Balance and all asterisked (*) items were provided by Finance Director 9/6/16 Email.

Projected TID Closure

9/7/2016



Tax Increment District # 4 - "Lighthouse 4041" Project
Development Assumptions Net Increment

Table with 4 columns: Construction Year, Actual, Future Value, Annual Total. Rows include years 2011-2037 and a TOTALS row.

Notes: All data from Wisconsin Department of Revenue.

9/7/2016

Village of Shorewood

Tax Increment District # 4 - "Lighthouse 4041" Project Tax Increment Projection Worksheet

Apply

Type of District	Rehabilitation
Anticipated Creation Date	5/16/2011
Valuation Date	Jan. 1, 2011
Maximum Life (In Years)	27
Expenditure Period (In Years)	22
Revenue Periods/Final Rev Year	27 2039
End of Expenditure Period	5/16/2033
Latest Termination Date	5/16/2038
Eligible for Extension/No. of Years	Yes 3
Eligible Recipient District	Yes

Projected Base Value	1,203,400
Pre-Amendment Base Value (Actual)	NA
Property Appreciation Factor (2015)	0.50%
Property Appreciation Factor (2016)	1.00%
Property Appreciation Factor (2017)	1.50%
Property Appreciation Factor (2018 & 2019)	1.75%
Property Appreciation Factor (Thereafter)	1.75%
Current Tax Rate (Per \$1,000 EV)	\$29.91
Tax Rate Adjustment Factor (Next 2 Years)	-0.50%
Tax Rate Adjustment Factor (Following 1 Years)	-0.50%
Tax Rate Adjustment Factor (Thereafter)	-0.50%
Discount Rate 1 for NPV Calculation	3.25%
Discount Rate 2 for NPV Calculation	5.50%

	Construction Year	Value Added	Valuation Year	Inflation Increment	Valuation Increment	Revenue Year	Tax Rate	Tax Increment
ACTUAL	1	2011	(114,300)	2012	0	(114,300)	2013	31.91
	2	2012	2,303,900	2013	0	2,189,600	2014	30.86
	3	2013	12,088,300	2014	0	14,277,900	2015	29.91
	4	2014	1,977,100	2015	0	16,255,000	2016	29.80
	5	2015	(47,000)	2016	0	16,208,000	2017	29.66
PROJECTED	6	2016	0	2017	261,171	16,469,171	2018	29.51
	7	2017	0	2018	309,270	16,778,441	2019	29.36
	8	2018	0	2019	314,682	17,093,123	2020	29.21
	9	2019	0	2020	320,189	17,413,312	2021	29.07
	10	2020	0	2021	325,792	17,739,105	2022	28.92
	11	2021	0	2022	331,494	18,070,599	2023	28.78
	12	2022	0	2023	337,295	18,407,894	2024	28.63
	13	2023	0	2024	343,198	18,751,091	2025	28.49
	14	2024	0	2025	349,204	19,100,295	2026	28.35
	15	2025	0	2026	355,315	19,455,610	2027	28.21
	16	2026	0	2027	361,533	19,817,142	2028	28.06
	17	2027	0	2028	367,859	20,185,002	2029	27.92
	18	2028	0	2029	374,297	20,559,299	2030	27.78
	19	2029	0	2030	380,847	20,940,146	2031	27.65
	20	2030	0	2031	387,512	21,327,658	2032	27.51
	21	2031	0	2032	394,294	21,721,952	2033	27.37
	22	2032	0	2033	401,194	22,123,145	2034	27.23
	23	2033	0	2034	408,215	22,531,360	2035	27.10
	24	2034	0	2035	415,358	22,946,718	2036	26.96
	25	2035	0	2036	422,627	23,369,345	2037	26.83
	26	2036	0	2037	430,023	23,799,368	2038	26.69
	27	2037	0	2038	437,548	24,236,917	2039	26.56
			16,208,000		8,028,917		Future Value of Increment	



9/7/2016



**Tax Increment District # 4 - "Lighthouse 4041" Project
Cash Flow Pro Forma**

Year	Revenues				Expenditures									Balances		Project Cost Principal Outstanding	Year	
	Tax Increments	Investment Earnings	Developer Payments from Proj Revs (Loan Portion)	Total Revenues	G.O. MDA Bonds			Taxable GO Bonds			Village Admin Exp	Total Expenditures	Coverage	Annual	Cumulative *			
					Prin (12/1)	Rate	Interest	Prin (12/1)	Rate	Interest								
		0.25%			\$6,165,000			\$1,990,000										
					Dated 3/08/12			Dated 3/08/12										
2016					200,000	2.000%	157,406	75,000	2.000%	56,538	14,500	503,444	1.35	0	350,000	7,515,000	2016	
2017	480,657	875	199,413	680,945	215,000	2.000%	153,406	75,000	2.000%	55,038	14,000	512,444	1.34	177,501	527,501	7,240,000	2017	
2018	485,960	1,319	197,413	684,691	225,000	2.000%	149,106	75,000	2.500%	53,538	14,000	516,644	1.34	173,129	699,748	6,950,000	2018	
2019	492,610	1,749	195,413	689,772	235,000	2.000%	144,606	75,000	2.500%	51,663	14,000	520,269	1.34	174,291	1,047,168	6,340,000	2019	
2020	499,340	2,182	193,038	694,560	250,000	2.250%	139,906	75,000	2.800%	49,788	14,000	528,694	1.32	170,737	1,217,905	6,015,000	2020	
2021	506,150	2,618	190,663	699,431	275,000	2.375%	134,281	75,000	2.800%	47,688	9,500	541,469	1.31	167,618	1,385,523	5,665,000	2021	
2022	513,042	3,045	193,000	709,087	295,000	2.500%	127,750	75,000	3.000%	45,588	9,500	552,838	1.29	160,830	1,546,353	5,295,000	2022	
2023	520,016	3,464	190,188	713,668	305,000	2.500%	120,375	75,000	3.000%	43,338	9,500	553,213	1.30	164,915	1,711,268	4,915,000	2023	
2024	527,074	3,866	187,188	718,127	325,000	3.000%	112,750	75,000	3.250%	41,088	9,500	563,338	1.28	159,344	1,870,612	4,515,000	2024	
2025	534,216	4,278	184,188	722,682	340,000	3.000%	103,000	75,000	3.250%	38,650	9,500	566,150	1.28	160,821	2,031,433	4,100,000	2025	
2026	541,444	4,677	180,850	726,971	350,000	3.000%	92,800	75,000	3.250%	36,213	9,500	563,513	1.30	167,837	2,199,270	3,675,000	2026	
2027	548,759	5,079	177,513	731,350	1,535,000	3.000%	82,300	965,000	3.500%	33,775	9,500	2,625,575	1.06	150,259	2,349,530	1,175,000	2027	
2028	556,161	5,498	2,214,175	2,775,834	375,000	3.000%	36,250					411,250	1.38	158,277	2,507,806	800,000	2028	
2029	563,653	5,874	0	569,527	400,000	3.000%	25,000					425,000	1.36	152,504	2,660,310	400,000	2029	
2030	571,234	6,270	0	577,504	400,000	3.250%	13,000					413,000	1.42	172,558	2,832,868	0	2030	
2031	578,907	6,651		585,558								0		172,558	2,832,868	0	2031	
2032	586,672			586,672								0		586,672	3,419,540	0	2032	
2033	594,530			594,530								0		594,530	4,014,070	0	2033	
2034	602,483			602,483								0		602,483	4,616,553	0	2034	
2035	610,532			610,532								0		610,532	5,227,086	0	2035	
2036	618,678			618,678								0		618,678	5,845,764	0	2036	
2037	626,923			626,923								0		626,923	6,472,687	0	2037	
2038	635,267			635,267								0		635,267	7,107,953	0	2038	
2039	643,711			643,711								0		643,711	7,751,665	0	2039	
Total	12,838,021	57,443	4,303,038	17,198,502	5,725,000	1,591,938	1,790,000	552,900	137,000	9,796,838			7,401,665					

NOTES: * 2016 Year End Cash balance provided by Finance Director via 9/6/16 Email.

Projected TID Closure



Village of Shorewood

Tax Increment District No. 5 (Metro Market / Roundys) Development Assumptions Phases I & II



Construction Year	Actual	Existing Base Value Demo	Aprtments	1st Floor Retail	Personal Property w Depreciation	Annual Total
2014	383,100					383,100
2015	16,734,250				3,093,750	19,828,000
2016		(1,657,400)	12,000,000	3,000,000	(460,300)	12,882,300
2017					(390,600)	(390,600)
2018					(331,475)	(331,475)
2019					(280,556)	(280,556)
2020					(238,453)	(238,453)
2021					(204,667)	(204,667)
2022					(169,717)	(169,717)
2023					(144,260)	(144,260)
2024					(122,621)	(122,621)
2025						0
2026						0
2027						0
2028						0
2029						0
2030						0
2031						0
2032						0
2033						0
2034						0
2035						0
2036						0
2037						0
2038						0
2039						0
2040						0
TOTALS	17,117,350	(1,657,400)	12,000,000	3,000,000	751,101	31,211,051

NOTES: Development Assumption values based upon General Capital Spreadsheets of 4/17/13 with addition for depreciation on PP values timing updated per Bruce Block email of 3/26/14.

9/7/2016

Village of Shorewood

Tax Increment District No. 5 (Metro Market / Roundys) Tax Increment Projection Worksheet PHASES 1 & 2

Type of District	Blighted Area	
Anticipated Creation Date	6/16/2014	
Valuation Date	Jan. 1, 2014	
Maximum Life (In Years)	27	
Expenditure Period (In Years)	22	
Revenue Periods/Final Rev Year	27	2042
End of Expenditure Period	6/16/2036	
Latest Termination Date	6/16/2041	
Eligible for Extension/No. of Years	Yes	3
Eligible Recipient District	Yes	

Projected Base Value	7,575,000
Pre-Amendment Base Value (Actual)	NA
Property Appreciation Factor (2015)	0.50%
Property Appreciation Factor (2016)	1.00%
Property Appreciation Factor (2017)	1.50%
Property Appreciation Factor (2018 & 2019)	1.75%
Property Appreciation Factor (Thereafter)	1.75%
Current Tax Rate 2013 (Per \$1,000 EV)	\$31.91
Tax Rate Projection 2014	\$29.91
Tax Rate Adjustment Factor (Next 2 years)	-0.50%
Tax Rate Adjustment Factor (Following 1 year)	-0.50%
Tax Rate Adjustment Factor (Thereafter)	-0.50%
Discount Rate 1 for NPV Calculation	4.00%
Discount Rate 2 for NPV Calculation	6.50%

Apply Inflation Factor to Base?



Net Present Value Calculation

Construction Year	Value Added	Valuation Year	Inflation Increment	Valuation Increment	Revenue Year	Tax Rate	Tax Increment	Cumulative @	
								4.00%	6.50%
1	2014	383,100	2015	0	383,100	2016	29.80	11,418	10,151
2	2015	19,828,000	2016	0	20,211,100	2017	29.66	599,371	522,496
3	2016	12,882,300	2017	416,792	33,510,192	2018	29.51	988,794	1,335,212
4	2017	(390,600)	2018	718,991	33,838,582	2019	29.36	993,492	2,120,383
5	2018	(331,475)	2019	724,738	34,231,845	2020	29.21	1,000,012	2,880,310
6	2019	(280,556)	2020	731,620	34,682,909	2021	29.07	1,008,123	3,616,936
7	2020	(238,453)	2021	739,513	35,183,969	2022	28.92	1,017,574	4,331,870
8	2021	(204,667)	2022	748,282	35,727,584	2023	28.78	1,028,130	5,026,438
9	2022	(169,717)	2023	757,795	36,315,662	2024	28.63	1,039,828	5,701,890
10	2023	(144,260)	2024	768,087	36,939,489	2025	28.49	1,052,401	6,359,217
11	2024	(122,621)	2025	779,004	37,595,871	2026	28.35	1,065,746	6,999,277
12	2025	0	2026	790,490	38,386,362	2027	28.21	1,082,714	7,624,517
13	2026	0	2027	804,324	39,190,685	2028	28.06	1,099,873	8,235,237
14	2027	0	2028	818,399	40,009,085	2029	27.92	1,117,227	8,831,734
15	2028	0	2029	832,721	40,841,806	2030	27.78	1,134,778	9,414,298
16	2029	0	2030	847,294	41,689,101	2031	27.65	1,152,528	9,983,219
17	2030	0	2031	862,122	42,551,222	2032	27.51	1,170,480	10,538,778
18	2031	0	2032	877,209	43,428,431	2033	27.37	1,188,637	11,081,257
19	2032	0	2033	892,560	44,320,991	2034	27.23	1,207,001	11,610,929
20	2033	0	2034	908,180	45,229,171	2035	27.10	1,225,575	12,128,067
21	2034	0	2035	924,073	46,153,244	2036	26.96	1,244,362	12,632,938
22	2035	0	2036	940,244	47,093,488	2037	26.83	1,263,364	13,125,803
23	2036	0	2037	956,699	48,050,187	2038	26.69	1,282,583	13,606,922
24	2037	0	2038	973,441	49,023,628	2039	26.56	1,302,024	14,076,548
25	2038	0	2039	990,476	50,014,104	2040	26.43	1,321,689	14,534,931
26	2039	0	2040	1,007,809	51,021,913	2041	26.29	1,341,580	14,982,318
27	2040	0	2041	1,025,446	52,047,359	2042	26.16	1,361,700	15,418,949
		31,211,051			20,836,308			29,301,005	



9/7/2016

9/7/2016

ALTERNATE TID LOAN STRUCTURE For Loan to Developer

VILLAGE DEBT PAYMENTS for LOAN to Developer

DEVELOPER PAYMENTS on Loan from Village

	BOY	6,635,000		Actual		BOY	Developer	Developer	Developer	Pmt to TID fund	Target	
	Principal	Actual Princ	Actual Interest	Total Pmt		Principal	Principal	Rate	Interest	by Developer	Amortization	
										Total		
		0	0	0		6,635,000	0					
		0		0		6,635,000				0		
		0		0		6,635,000				0		
1	2017	\$6,635,000	0	0	0	6,635,000				0		
2	2018	\$6,635,000	0	387,233	387,233	6,635,000	110,000	0.80%	394,011	504,011	508,748	20 Yr Am
3	2019	\$6,635,000	250,000	255,718	505,718	6,520,263	245,000	2.00%	259,638	504,638	508,748	
4	2020	\$6,385,000	260,000	250,225	510,225	6,271,152	250,000	2.40%	254,188	504,188	508,748	
5	2021	\$6,125,000	265,000	243,659	508,659	6,016,592	260,000	2.70%	247,678	507,678	508,748	
6	2022	\$5,860,000	275,000	236,229	511,229	5,755,521	265,000	2.90%	240,325	505,325	508,748	
7	2023	\$5,585,000	280,000	228,040	508,040	5,487,098	275,000	3.10%	232,220	507,220	508,748	
8	2024	\$5,305,000	290,000	219,130	509,130	5,210,570	285,000	3.25%	223,326	508,326	508,748	
9	2025	\$5,015,000	300,000	209,465	509,465	4,925,148	295,000	3.40%	213,680	508,680	508,748	
10	2026	\$4,715,000	310,000	198,938	508,938	4,630,080	305,000	3.60%	203,175	508,175	508,748	
11	2027	\$4,405,000	320,000	187,515	507,515	4,324,507	315,000	3.75%	191,779	506,779	508,748	
12	2028	\$4,085,000	335,000	175,146	510,146	4,007,537	220,000	3.90%	181,583	401,583	405,896	30 Yr Am
13	2029	\$3,750,000	350,000	161,785	511,785	3,783,224	230,000	4.00%	172,693	402,693	405,896	
14	2030	\$3,400,000	360,000	147,493	507,493	3,550,020	240,000	4.15%	163,113	403,113	405,896	
15	2031	\$3,040,000	375,000	132,144	507,144	3,307,236	250,000	4.30%	152,758	402,758	405,896	
16	2032	\$2,665,000	395,000	115,386	510,386	3,054,097	260,000	4.50%	141,533	401,533	405,896	
17	2033	\$2,270,000	410,000	97,270	507,270	2,789,733	275,000	4.60%	129,358	404,358	405,896	
18	2034	\$1,860,000	430,000	77,945	507,945	2,513,194	285,000	4.70%	116,335	401,335	405,896	
19	2035	\$1,430,000	455,000	57,255	512,255	2,223,633	300,000	4.75%	102,513	402,513	405,896	
20	2036	\$975,000	475,000	35,281	510,281	1,920,249	315,000	4.80%	87,828	402,828	405,896	
21	2037	\$500,000	500,000	12,000	512,000	1,602,180	1,655,000	4.85%	40,134	1,695,134	405,896	
			\$6,635,000	3,427,855	10,062,855		6,635,000		3,747,863	10,382,863		

Tax Increment District No. 5 (Metro Market / Roundys)
 Cash Flow Pro Forma **Funding of Loan to Developer Portion in 2017**

Year	Revenues				Expenditures							Balances			Project Cost Principal Outstanding	Year		
	Tax Increments	Investment Earnings	Payment of Land Loan by Dev	Total Revenues	Taxable G.O. Bond			Taxable G.O. Bond			Village Admin Expense	Total Expenditures	Annual	Coverage			Cumulative *	
					Prin (10/1)	Actual	Interest	Prin (3/1)	Est. Rate	Interest								
		0.25%			\$6,495,000			\$6,635,000										
					1/22/2015			3/1/2017										
2015																	12,825,000	2015
2016															1,000		12,825,000	2016
2017	599,371	3	0	599,374	50,000	1.200%	199,098				35,000	284,098	315,276	2.11	316,276		12,775,000	2017
2018	988,794	791	504,011	1,493,596	225,000	1.600%	198,498	0.750%	387,233	15,600		826,330	667,266	1.81	983,542		12,550,000	2018
2019	993,492	2,459	504,638	1,500,588	225,000	1.900%	194,898	250,000	1.950%	255,718	15,100	940,715	559,873	1.60	1,543,415		12,075,000	2019
2020	1,000,012	3,859	504,188	1,508,058	225,000	2.100%	190,623	260,000	2.350%	250,225	15,100	940,948	567,111	1.60	2,110,526		11,590,000	2020
2021	1,008,123	5,276	507,678	1,521,077	250,000	2.300%	185,898	265,000	2.650%	243,659	15,100	959,656	561,421	1.59	2,671,947		11,075,000	2021
2022	1,017,574	6,680	505,325	1,529,579	245,000	2.450%	180,148	275,000	2.850%	236,229	10,333	946,710	582,869	1.62	3,254,816		10,555,000	2022
2023	1,028,130	8,137	507,220	1,543,487	270,000	2.600%	174,145	280,000	3.050%	228,040	10,333	962,518	580,969	1.60	3,835,785		10,005,000	2023
2024	1,039,828	9,589	508,326	1,557,743	275,000	2.800%	167,125	290,000	3.200%	219,130	10,333	961,588	596,155	1.62	4,431,940		9,440,000	2024
2025	1,052,401	11,080	508,680	1,572,161	300,000	2.950%	159,425	300,000	3.350%	209,465	10,333	979,223	592,938	1.61	5,024,878		8,840,000	2025
2026	1,065,746	12,562	508,175	1,586,483	350,000	3.100%	150,575	310,000	3.550%	198,938	10,333	1,019,846	566,637	1.56	5,591,515		8,180,000	2026
2027	1,082,714	13,979	506,779	1,603,471	375,000	3.200%	139,725	320,000	3.700%	187,515	10,333	1,032,573	570,898	1.55	6,162,413		7,485,000	2027
2028	1,099,873	15,406	401,583	1,516,862	425,000	3.350%	127,725	335,000	3.850%	175,146	10,333	1,073,205	443,657	1.41	6,606,070		6,725,000	2028
2029	1,117,227	16,515	402,693	1,536,435	450,000	3.500%	113,488	350,000	3.950%	161,785	10,333	1,085,606	450,829	1.42	7,056,899		5,925,000	2029
2030	1,134,778	17,642	403,113	1,555,533	475,000	3.700%	97,738	360,000	4.100%	147,493	0	1,080,230	475,303	1.44	7,532,202		5,090,000	2030
2031	1,152,528	18,831	402,758	1,574,116	525,000	3.800%	80,163	375,000	4.250%	132,144	0	1,112,306	461,810	1.42	7,994,012		4,190,000	2031
2032	1,170,480	19,985	401,533	1,591,998	525,000	3.900%	60,213	395,000	4.450%	115,386	0	1,095,599	496,399	1.45	8,490,411		3,270,000	2032
2033	1,188,637	21,226	404,358	1,614,221	525,000	3.950%	39,738	410,000	4.550%	97,270	0	1,072,008	542,213	1.51	9,032,624		2,335,000	2033
2034	1,207,001	22,582	401,335	1,630,918	475,000	4.000%	19,000	430,000	4.650%	77,945		1,001,945	628,973	1.63	9,661,597		1,430,000	2034
2035	1,225,575	24,154		1,249,729				455,000	4.700%	57,255		512,255	737,474	2.44	10,399,071		975,000	2035
2036	1,244,362	25,998		1,270,359				475,000	4.750%	35,281		510,281	760,078	2.49	11,159,149		500,000	2036
2037	1,263,364	27,898		1,291,261				500,000	4.800%	12,000		512,000	779,261	2.52	11,938,410		0	2037
2038	1,282,583	29,846		1,312,429								0	1,312,429		13,250,840		0	2038
2039	1,302,024	33,127		1,335,151								0	1,335,151		14,585,991		0	2039
2040	1,321,689	36,465		1,358,154								0	1,358,154		15,944,145		0	2040
2041	1,341,580	39,860		1,381,440								0	1,381,440		17,325,585		0	2041
2042	1,361,700	43,314		1,405,014								0	1,405,014		18,730,599		0	2042
Total	29,289,587	467,263	7,882,389	37,639,238	6,190,000		2,478,218	6,635,000		3,427,855	178,567	18,909,639	18,729,599					

NOTES The timing and execution of the second borrowing has been postponed at the request of the Developer..the original plan called for issuance in 2016. The developer has indicated he may not need borrowing . This is to be finalized in early 2017. Final rates and terms will be re-calculated at that time.
 * 2016 Cumulative Cash Balance provided by Village Finance Director 9/6/16.

Projected TID Closure

Tax Increment District No. 5 (Metro Market / Roundys)
Cash Flow Pro Forma **NO LOAN TO DEVELOPER**

Year	Revenues				Expenditures							Balances			Project Cost Principal Outstanding	Year		
	Tax Increments	Investment Earnings	Payment of Land Loan by Dev	Total Revenues	Taxable G.O. Bond			Taxable G.O. Bond			Village Admin Expense	Total Expenditures	Annual	Coverage			Cumulative *	
					Prin (10/1)	Actual	Interest	Prin (3/1)	Est. Rate	Interest								
		0.25%			\$6,495,000			\$0										
					1/22/2015			3/1/2017										
2015																	6,190,000	2015
2016															1,000		6,190,000	2016
2017	599,371	3		599,374	50,000	1.200%	199,098				35,000	284,098	315,276	2.11	316,276		6,140,000	2017
2018	988,794	791		989,585	225,000	1.600%	198,498		0.750%	0	15,600	439,098	550,487	2.25	866,763		5,915,000	2018
2019	993,492	2,167		995,658	225,000	1.900%	194,898		1.950%	0	15,100	434,998	560,661	2.29	1,427,424		5,690,000	2019
2020	1,000,012	3,569		1,003,581	225,000	2.100%	190,623		2.350%	0	15,100	430,723	572,859	2.33	2,000,283		5,465,000	2020
2021	1,008,123	5,001		1,013,124	250,000	2.300%	185,898		2.650%	0	15,100	450,998	562,127	2.25	2,562,409		5,215,000	2021
2022	1,017,574	6,406		1,023,980	245,000	2.450%	180,148		2.850%	0	10,333	435,481	588,499	2.35	3,150,909		4,970,000	2022
2023	1,028,130	7,877		1,036,007	270,000	2.600%	174,145		3.050%	0	10,333	454,478	581,529	2.28	3,732,438		4,700,000	2023
2024	1,039,828	9,331		1,049,159	275,000	2.800%	167,125		3.200%	0	10,333	452,458	596,700	2.32	4,329,138		4,425,000	2024
2025	1,052,401	10,823		1,063,224	300,000	2.950%	159,425		3.350%	0	10,333	469,758	593,466	2.26	4,922,604		4,125,000	2025
2026	1,065,746	12,307		1,078,053	350,000	3.100%	150,575		3.550%	0	10,333	510,908	567,144	2.11	5,489,748		3,775,000	2026
2027	1,082,714	13,724		1,096,438	375,000	3.200%	139,725		3.700%	0	10,333	525,058	571,380	2.09	6,061,128		3,400,000	2027
2028	1,099,873	15,153		1,115,026	425,000	3.350%	127,725		3.850%	0	10,333	563,058	551,968	1.98	6,613,095		2,975,000	2028
2029	1,117,227	16,533		1,133,760	450,000	3.500%	113,488		3.950%	0	10,333	573,821	559,939	1.98	7,173,034		2,525,000	2029
2030	1,134,778	17,933		1,152,710	475,000	3.700%	97,738		4.100%	0	0	572,738	579,973	2.01	7,753,007		2,050,000	2030
2031	1,152,528	19,383		1,171,911	525,000	3.800%	80,163		4.250%	0	0	605,163	566,748	1.94	8,319,755		1,525,000	2031
2032	1,170,480	20,799		1,191,280	525,000	3.900%	60,213		4.450%	0	0	585,213	606,067	2.04	8,925,823		1,000,000	2032
2033	1,188,637	22,315		1,210,952	525,000	3.950%	39,738		4.550%	0	0	564,738	646,214	2.14	9,572,037		475,000	2033
2034	1,207,001	23,930		1,230,931	475,000	4.000%	19,000		4.650%	0		494,000	736,931	2.49	10,308,968		0	2034
2035	1,225,575	25,772		1,251,348					4.700%	0		0	1,251,348	#DIV/0!	11,560,316		0	2035
2036	1,244,362	28,901		1,273,262					4.750%	0		0	1,273,262	#DIV/0!	12,833,578		0	2036
2037	1,263,364	32,084		1,295,447				0	4.800%	0		0	1,295,447	#DIV/0!	14,129,025		0	2037
2038	1,282,583	35,323		1,317,906								0	1,317,906		15,446,931		0	2038
2039	1,302,024	38,617		1,340,642								0	1,340,642		16,787,573		0	2039
2040	1,321,689	41,969		1,363,658								0	1,363,658		18,151,231		0	2040
2041	1,341,580	45,378		1,386,958								0	1,386,958		19,538,189		0	2041
2042	1,361,700	48,845		1,410,546								0	1,410,546		20,948,735		0	2042
Total	29,289,587	504,932	0	29,794,519	6,190,000		2,478,218	0		0	178,567	8,846,784	20,947,735					

NOTES The timing and execution of the second borrowing has been postponed at the request of the Developer..the original plan called for issuance in 2016. The developer has indicated he may not need borrowing . This is to be finalized in early 2017. Final rates and terms will be re-calculated at that time.
* 2016 Cumulative Cash Balance provided by Village Finance Director 9/6/16.

Projected TID Closure



VILLAGE OF SHOREWOOD

BUSINESS INCENTIVE LOAN PROGRAM

As revised June 25, 2016

VILLAGE OF SHOREWOOD

BUSINESS INCENTIVE LOAN PROGRAM

PROGRAM HIGHLIGHTS

Purpose of the Program

The Business Incentive Loan Program (the “Program”) has been established by the Community Development Authority (“CDA”) and Village Board to assist businesses and property owners finance business expansion and startup projects, consistent with the economic development goals of the Village.

The Program is expected to be an important component of the Village of Shorewood’s economic development toolbox, which includes the façade grant program and redevelopment project incentives.

The Benefits to participating Program businesses might include providing “first dollars” required by other lending organizations, lower than market interest rates, and potential to lower debt service payments during the startup period of a new venture.

The Village of Shorewood Business Improvement District (“BID”) and Southeastern Wisconsin Regional Planning Commission (“SEWRPC”) will provide assistance to businesses interested in borrowing funds from the Program. SEWRPC will also assist the Village with the review and underwriting of loans.

Economic Development Goals

The economic development goals of the Program are comprised of property tax base enhancement, business recruitment and retention, and expanded business activity.

Loan Parameters

Loan amounts may range between \$10,000 - \$100,000. Loans requests over \$100,000 will be considered in special cases only and may need to be funded separately by an existing TIF District. All loans must be approved by the Shorewood Community Development Authority (“CDA”). Loans over \$25,000 must also be approved by the Shorewood Village Board.

A minimum of one dollar of private sector investment related to approved expenditures will be required for each dollar of CDA investment. It is expected that a bank or other private financial institution will be financing all or a portion of the private sector match.

Sufficient collateral, including personal guarantees from the principals of the business with twenty (20) percent or more ownership, will be required.

Interest charged to the borrower will be

- ✓ The cost of funds to the Village, based on the Village’s last taxable borrowing –

Interest cost to the borrower from Program loans is expected to be lower than for loans from banks or other financial institutions.

Payment of principal and interest may be deferred for up to eighteen (18) months if required for the success of the undertaking. Need for such deferral must be demonstrated.

Criteria for Granting

Criteria for granting or for limiting the amount of a requested loan include the following:

- o **Eligibility** – the project must contribute proportionately to the achievement of Shorewood’s economic development goals and be for the activities listed in the Program Details section of this document. The applicant must demonstrate that Program financing is necessary to make the project feasible and that alternate sources of funding needed to finance the project are not available on reasonable terms.
- o **Availability of Funds** – a balance of sufficient funding authority (unloaned funds) should be available within the CDA program funding schedule parameters.

Because of the scarcity of funds, the Program will be administered in a way that maximizes their impact on realization of Village economic development goals. The loans supported by this Program are not intended to be an entitlement.

Application Process

Submit applications to Jim Plaisted, c/o Village of Shorewood, 3930 N. Murray Avenue, Shorewood, Wisconsin 53211, 414-272-5823. See the Program Details section of this document for detailed application procedures and requirements.

VILLAGE OF SHOREWOOD BUSINESS INCENTIVE LOAN PROGRAM

PROGRAM DETAILS

Introduction

The Business Incentive Loan Program (the “Program”) was established by the Community Development Authority (“CDA”) and Village Board in 2007 to assist businesses and property owners finance business expansion and startup projects, consistent with the economic development goals of the Village.

Through the Program, qualified Businesses and property owners are eligible for low-interest loans to finance qualifying business expansion or start-up projects. Loan funds that are repaid to the Village will be used to assist other businesses within the loan program. The purpose of this manual is to set forth the criteria for the financing that is available from the program.

Purpose

The objective of the Business Incentive Loan Program is to increase the Village of Shorewood’s tax base through the retention and expansion of existing, and the development of new, small- and medium-sized businesses within the village. The Program is also intended to provide assistance to business owners who wish to purchase commercial property within the Village. Small- and medium-sized businesses often lack the necessary capital to develop or expand their operations, and, as such, this lack of capital has a significant impact on the local tax base.

The Loan Program includes funding mechanisms and interest rates that are designed to encourage business development, while providing for the recapitalization and growth of the Program.

Eligible Applicants

Eligible applicants for the Business Incentive Loan Program are business establishments or property owners located in a Village or those that will locate in the village as a result of loan fund financing. These applicants must demonstrate that they are unable to access the financing necessary for the business or real estate project through conventional sources.

Administration

The assets in the Business Incentive Loan Program shall be the property of the Village of Shorewood Community Development Authority (“CDA”) and funding decisions relative to loan applications shall be made by the CDA, except that any member of

the CDA, who so desires, may request that a specific funding request under consideration be forwarded to the Village of Shorewood Board of Trustees for a final decision. All loans of \$25,000 or more require both CDA and Village Board approval.

Applications for program funding will be provided by the Village of Shorewood Business Improvement District ("BID"). The Southeastern Wisconsin Regional Planning Commission ("SEWRPC") or other designated agent approved by the CDA, will review all loan applications and provide loan underwriting assistance to the CDA. Village staff shall be responsible for administration of the program loan disbursements and collections after approval.

Application Procedures

Businesses that are interested in applying for financing should contact Jim Plaisted, c/o Village of Shorewood, 3930 N. Murray Avenue, Shorewood, Wisconsin 53211. A copy of the loan application and a list of the supporting documentation needed for each application are included as Attachment B to this manual. Following the submittal of the application, BID staff will examine the application and supporting documentation for completeness and make a determination within 20 working days on whether or not the proposed project conforms to the standards and policies as set forth in this manual.

Once staff has completed its review of the application, the applicant business will be informed of any deficiencies, and requested to amend the application, if necessary. Upon final submission of a completed application, the application will be forwarded to the underwriter for review and recommendation to the CDA for consideration.

Standards and Policies

The following standards and policies will be utilized in administering the Business Incentive Loan Program:

1. Funding Limits: The amount of funding available for each applicant is from \$10,000 - \$100,000. Loans in excess of \$100,000 may be considered in special cases only, and funding may need to be supported externally through an existing TIF district.
2. Type of Financing Available: All monies will be provided in a manner that enhances the viability of the proposed project. The CDA, at its discretion, may waive the requirement for providing loans on an installment basis.
3. Project Initiation: Any Business Incentive Loan Program and matching monies may not be spent prior to the approval of the loan by the CDA, and / or Village Board as applicable.
4. Private Sector Leverage Ratio: A minimum of one dollar of private sector investment towards approved expenditures will be required for each dollar of CDA investment. Private sector investment is defined as financing from a private lending institution

and/or cash equity that is contributed to the project by the applicant. Applicants will be required to utilize a private financial institution to finance all or a portion of the private sector match, unless waived by the CDA. In addition, all private sector dollars must be obtained from a non-public source and no public funds of any type may be counted towards leveraged private investment.

5. Community Benefits: Applicants must demonstrate tax base enhancement to be eligible for funding. In particular, Business Incentive Loan Program monies contributed to a project must not exceed 30 percent of the existing fair market value of the property as reported by the Village Assessor or an appraiser acceptable to the CDA.

Applicants for funding must also demonstrate that the project will meet a public purpose test, such as providing jobs, enhancing the tax base, or increasing tourism and consumer utilization within the TID providing the financing.

6. Access to Program Funds: Program funds will typically be provided in installments to applicants through draw requests as expenditures are made in accordance with the funding application. The minimum draw request shall be \$5,000 or 20% of the approved loan amount, whichever is greater. All draw requests must be submitted within 90 days of the project completion date to be eligible for reimbursement. The project completion date will be clearly noted in the construction schedule.
7. Expenditures: All expenditures must be properly documented. All draw requests must be supported by appropriate receipts, invoices, lien waivers, and proofs of payment prior to being processed. As applicable, all permits, inspections, and verifications of work done must also be completed in order to process any draw requests.
8. Eligible Activities: Activities eligible for funding include:
 - a) Real property acquisition, building demolition, site preparation, and similar site-related redevelopment activities to stimulate business development.
 - b) Interior and exterior building rehabilitation and new construction.
 - c) Leasehold improvements; the acquisition of furniture, fixtures, and equipment.
9. Ineligible Activities: Activities not eligible for funding include:
 - a) Purchasing equity in private businesses.
 - b) Subsidizing interest payments on existing loans and other working capital expenses.
 - c) Refinancing loans made by other lenders or investors.
 - d) Contributing equity required of borrowers participating in other loan programs.
 - e) Financing deposits in interest-bearing accounts, certificates of deposit, and other cash investments.
10. Other Considerations: Typically, Village assistance will consist of providing financing for fixed assets that are an integral part of the proposed project..

11. Standard Loan Terms: Standard terms for installment loans are as follows:
- a) Real property acquisition, site-related redevelopment, building rehabilitation—maximum of ten (10) years. .
 - b) Leasehold improvements, Furniture, fixtures, and equipment; three to seven (3-7) years depending on the size of the program loan and the ratio of private sector investment in the project. .

The specific term for an individual borrower may also be based on the useful life of the asset, as well as the terms offered by the private sector financial institution participating in the project. However, the CDA retains the right to adjust individual loan terms in order to facilitate a successful loan fund project.

10. Need Determination: Each applicant must demonstrate that Business Incentive Loan Program financing is necessary to make the project feasible and that alternative sources of financing are not available on reasonable terms.
11. Interest Rate: Interest charged to the borrower will be the cost of funds to the Village, based on the “true interest cost” of the Village’s last taxable borrowing prior to closing rounded to the next one-tenth (0.1) percent (the “Village Interest Rate”). The interest rate charged to the borrower will be fixed for the entire term of the loan at the time a loan agreement is signed with the Village.
12. Deferral of Principal and Interest: The Business Incentive Loan Program has the option of deferring principal and interest payments for up to eighteen (18) months upon demonstration by the recipient business that a deferral is required to make the project feasible.. This deferral period begins from the date of the first participant draw disbursement.
13. Equity Requirements: The CDA may require an equity injection for Business Incentive Loan Program projects, when appropriate..
14. Collateral Requirements: Each Business Incentive Loan Program project will include a financing agreement between the Village and recipient business that details the terms and conditions of the loan fund financing, along with supporting collateral documents. In addition, performance bonding may be required when deemed necessary to protect the Village’s interest in the project.

Collateral requirements will be determined on an individual basis by the CDA and may include mortgages on land and buildings; liens on furniture, fixtures, and equipment; and liens on accounts receivable and inventory. This collateral may be subordinated to private sector financial institutions participating in the project, if required. In addition, junior liens on all business assets may be used where appropriate. Personal guarantees from the principals of the business with 20 percent or more ownership will be required.

Finally, loan recipients will be required to maintain property-casualty insurance for the appraised value of the property being financed, and have the Village listed as an additional insured on the policy.

15. General Policies for Restructuring Loans: Business Incentive Loan Program loans may be restructured when restructuring will improve the borrower's ability to repay the loan, as long as the business is financially viable as evidenced through a business credit analysis. The CDA will work with the owner(s) of the business to determine the need for restructuring, and, if appropriate, the CDA may restructure the loan to improve cash flow within the business..
16. Program Fees: The CDA will require a loan application fee of \$300 to be paid to at the time of loan application. If the application is approved, a loan origination fee equal to one (1.0) percent of the loan amount, plus payment of any legal fees incurred by the CDA for the loan closing, will be added to the principal amount of the loan and paid with program monies. The CDA reserves the right to waive or reduce these financing origination fees.
17. Availability of Funds: Available funding for the program will be managed by the CDA. In those instances where the number of requests exceeds available funding, applications will be prioritized based upon the use of the funds, , the community benefit, and the amount of private sector leverage that is included in the project. When feasible, the amount of CDA monies contributed to each project may also be reduced in order to facilitate as many requests as possible.
18. Project Completion Date: All projects must be initiated within six (6) months following approval of the financing application and completed within one (1) year of loan closing. Authorizations /approvals for program participation lapses at the project completion date. The CDA may provide extensions beyond the time limit, if warranted, upon the request of the applicant.
19. Additional Requirements: All CDA-financed activities must:
 - a) Contribute proportionately to the achievement of the Village's economic development goals as outlined in the Village of Shorewood Master Plan and design guidelines .
 - b) Have the applicant retain ownership for sufficient time to complete the project, stabilize its occupancy, and establish project management.
 - c) Not damage designated Village landmarks.
 - d) Comply with all applicable policies, rules, codes, regulations, and statutes of the Village and State.

* * *

Attachment B
VILLAGE OF SHOREWOOD
BUSINESS INCENTIVE LOAN PROGRAM APPLICATION

Name: _____

Address: _____

Business Name: _____

Address: _____

Telephone No.: _____

Brief Project Description:

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Sources and Uses of Funds

Business Incentive Loan Program	Other Debt Financing	Other Village Assistance	Equity Financing	Total
---------------------------------	----------------------	--------------------------	------------------	-------

	gram				
a) Land / Building Purchase					
d) Building Renovation					
e) Capital Equipment					
SUBTOTAL					
Closing Costs (1%)					
TOTAL COSTS					

Business Incentive Loan Program Assistance Requested

a) Loan Amount	
c) Loan Term (years)	
d) Deferral Period (months)	

Source of Bank Financing:

Name: _____

Address: _____

Contact Person: _____

Telephone No.: _____

Loan Amount: \$ _____

Source of Equity Financing:

Name: _____

Address: _____

Telephone No.: _____

Amount: \$ _____

Date Project Will Begin: _____

I hereby certify that the information provided above and in the attached supporting documentation is to the best of my knowledge true and correct. I also agree to pay the loan origination fee and any legal expenses, as defined in the Village of Shorewood Business Incentive Loan Program manual, should a loan be approved by the Village of Shorewood Community Development Authority.

Applicant Signature

Date

For additional information about the Village of Shorewood Business Incentive Loan Program, please contact Jim Plaisted at (414) 272-5823.

Please submit the Business Incentive Loan Program application and supporting documentation to:

Jim Plaisted
c/o Village of Shorewood
3930 N. Murray Avenue
Shorewood, WI 53211

* * *

**VILLAGE OF SHOREWOOD
BUSINESS INCENTIVE LOAN PROGRAM: PROJECT DOCUMENTATION**

The following supporting documentation should be submitted along with each Business Incentive Loan Program application.

1. A business plan that provides the information identified in Note 1.
2. Three years of the applicant's most recent financial statements or three years of the applicant's most recent Federal Income Tax Returns.
3. Financial projections including, at a minimum, a balance sheet at project initiation and income statements for the first three years of the project.
4. Personal financial statements for the applicant.
5. A statement of the anticipated community benefits to be derived from the proposed loan fund project and the reasons why the project will not take place without financing from the Business Incentive Loan Program.
6. A letter of commitment from the financial institution or other source of debt financing that is a part of the project.
7. Cost estimates and a binding construction schedule for all fixed assets to be purchased or real estate improvements to be made with Business Incentive Loan Program monies.
8. A lease or pre-lease agreement for rental property, an offer to purchase for the acquisition of commercial real estate, or a warranty deed for existing commercial real estate.
9. Other documentation that may be required by the CDA or Village Board that is deemed important relative to a determination regarding the loan fund project.

Note 1: The business plan should present a description of the business that includes the following level of detail:

1. A description of the business and its legal organization.
2. A detailed description of the proposed business or real estate project.
3. A discussion of the management team and all experience relevant to the development of the proposed project.
4. A discussion of the marketplace that identifies the applicant's current customer base; its major competitors; and a marketing strategy.

5. A discussion of projected sales growth and the financing and capital requirements necessary to achieve the projected growth.

* * *



Community Development Authority

BUSINESS LOAN PROGRAM

September 3, 2016

PROGRAM HIGHLIGHTS

Purpose of the Program

The Business Loan Program (the “Program”) has been established by the Community Development Authority (“CDA”) and Village Board to assist businesses and property owners finance business expansion and startup projects, consistent with the economic development goals of the Village.

The Program is expected to be an important component of the Village of Shorewood’s economic development toolbox, which includes the façade grant program and redevelopment project incentives.

The benefits to participating Program businesses might include providing “first dollars” required by other lending organizations, lower than market interest rates, and potential to lower debt service payments during the startup period of a new venture.

The Village of Shorewood Business Improvement District (“BID”) (*Village Staff?*) will provide assistance to businesses interested in borrowing funds from the Program. (I AM REQUESTING THAT FUTURE ADMINISTRATION BE DISCUSSED WITH THE FULL CDA) SEWRPC will assist the CDA with the review and underwriting of loans.

Economic Development Goals

The economic development goals of the Program are comprised of property tax base enhancement, small business recruitment and retention, elimination of blight, increased first floor retail activity, and job creation.

Loan Parameters

Loan amounts from this program will range between \$10,000 - \$45,000.

All loans must be approved by the CDA. Funds for the program are limited and will be allocated on a first come, first serve basis, as outlined in the Loan Management and Administration Document.

A minimum of one dollar of private sector investment related to approved expenditures will be required for each dollar of CDA investment. It is expected that a bank or other private financial institution will be financing a portion of the private sector match.

Sufficient collateral, including personal guarantees from the principals of the business with twenty (20) percent or more ownership, will be required.

Interest charged to the borrower will be:

- ✓ The cost of funds to the Village, based on the Village’s last taxable borrowing, plus 1%.

Interest cost to the borrower from Program loans is expected to be lower than for loans from banks or other financial institutions.

Payment of principal may be deferred for up to twelve months if required for the success of the undertaking. Need for such deferral must be demonstrated.

Criteria for Granting

Criteria for granting or for limiting the amount of a requested loan include the following:

- o **Eligibility** – the project must contribute proportionately to the achievement of Shorewood’s economic development goals. Priority will be given to first floor retail uses, specifically retail and restaurant uses, within the business corridor and first floor office uses that create daytime employment. Secondary priority will be given to other uses and upper floor uses within the business district. (See Attachment A for a list of preferred and non-preferred uses and Attachment B for the map of the business district).
- o **Need** - the applicant must demonstrate that Program financing is necessary to make the project feasible and that alternate sources of funding needed to finance the project are not available on reasonable terms.
- o **Availability of Funds** – a balance of sufficient funding authority (unloaned funds) should be available within the CDA program funding schedule parameters.

Because of the scarcity of funds, the Program will be administered in a way that maximizes first floor street frontage activity within the business district. The loans supported by this Program are not intended to be an entitlement.

Application Process

Review the application and then call (NEED A PHONE NUMBER) the BID Director or the Village Planning and Development Director (Village Staff?) to discuss before filling it out. Once a meeting has occurred, fill out application and submit it to BID Director, c/o Village of Shorewood, 3930 N. Murray Avenue, Shorewood, Wisconsin 53211. (I AM REQUESTING THAT FUTURE ADMINISTRATION BE DISCUSSED WITH THE FULL CDA) See the Program Details section of this document for detailed application procedures and requirements.

VILLAGE OF SHOREWOOD BUSINESS LOAN PROGRAM

PROGRAM DETAILS

Introduction

The Business Incentive Loan Program (the “Program”) was established by the Community Development Authority (“CDA”) and Village Board in 2007 to assist businesses and property owners finance business expansion and startups, consistent with the economic development goals of the Village.

Through the Program, qualified businesses and property owners are eligible for low-interest loans to finance qualifying business expansion and start-ups. Loan funds that are repaid to the CDA will be used to assist other businesses within the loan program. The purpose of this manual is to set forth the criteria for the financing that is available from the Program.

Purpose

The objective of the Business Incentive Loan Program is prioritized to create first floor retail and restaurant uses within the business district, increase the Village of Shorewood’s tax base through the retention and expansion of existing businesses, and assist with the development of new businesses within the Village. **The Program is also intended to provide assistance to business owners who wish to purchase commercial property (SEE QUESTION BELOW)** within the Village. Small and medium sized businesses often lack the necessary capital to develop or expand their operations, and, as such, this lack of capital has a significant impact on the local tax base.

The Program includes funding mechanisms and interest rates that are designed to encourage business development, while providing for the recapitalization and growth of the Program over time.

Eligible Applicants

Eligible applicants for the Business Loan Program are business owners and property owners *(see above in yellow- it seems only business owners or prospective business owners should be able to apply for this loan program. Maybe rephrase to say business owners and property owners on a business owners behalf?)* located in the Village or those that will locate in the Village as a result of loan funds. These applicants must demonstrate that they are unable to access total financing necessary for the business or real estate project through conventional sources.

Administration

The assets in the Program shall be the property of the Village of Shorewood CDA and funding decisions relative to individual loan applications shall be made by the CDA. **SUGGESTED NEW LANGUAGE:** Substantial changes to the loan program (ex: changes to the minimum or maximum amounts and changes to eligible uses) must be adopted by both the CDA and Village Board.

Applications for program funding can be obtained from the Village of Shorewood website and Village of Shorewood Business Improvement District (“BID”) website. The Southeastern Wisconsin Regional Planning Commission (“SEWRPC”) or other designated agent approved by the CDA, will review all loan applications and provide loan underwriting assistance to the CDA. Village staff shall be responsible for administration of the program loan disbursements and collections after approval.

Application Procedures

Once the application has been downloaded from the Village website, businesses should contact (NEED PHONE NUMBER) BID Director, c/o Village of Shorewood, 3930 N. Murray Avenue, Shorewood, Wisconsin 53211 to set up a meeting. A copy of the loan application and a list of the supporting documentation needed for each application are included as Attachment C to this manual. Following the submittal of the application, the BID Director will examine the application and supporting documentation for completeness and make a determination within 10 working days on whether or not the proposed project conforms to the standards and policies as set forth in this manual.

Once staff (CHANGE TO Village Staff or the BID?) has completed its review of the application, the applicant business will be informed of any deficiencies, and requested to amend the application, if necessary. Upon final submission of a completed application, the application will be forwarded to the underwriter for review and recommendation to the CDA for consideration.

Standards and Policies

The following standards and policies will be utilized in administering the Business Loan Program:

1. Funding Limits: The amount of funding available for each applicant is from \$10,000 - \$45,000.
2. Type of Financing Available: All monies will be provided in a manner that enhances the viability of the proposed project. The CDA, at its discretion, may waive the requirement for providing loans on an installment basis.
3. Project Initiation: Any Business Loan Program and matching monies may not be spent prior to the approval of the loan by the CDA. However, under special circumstances, an applicant may request to spend matching private dollars limited to 10% of the final approved loan amount while opening/moving their business within Shorewood and before CDA has approved the formal loan. This 10% private expenses could then still qualify as project expenses under then Program once the loan is approved.
4. Private Sector Leverage Ratio: A minimum of one dollar of private sector investment towards approved expenditures will be required for each dollar of CDA investment. Private sector investment is defined as financing from a private lending institution and/or cash equity that is contributed to the project by the applicant. Applicants will be required to utilize a

private financial institution to finance all or a portion of the private sector match, unless waived by the CDA. In addition, all private sector dollars must be obtained from a non-public source and no public funds of any type may be counted towards leveraged private investment.

5. Community Benefits: To be eligible for funding, applicants must demonstrate the following: tax base enhancement, first floor retail and/or restaurant use within the business district, and/or job growth. In particular, Business Loan Program monies contributed to a project must not exceed 30 percent of the existing fair market value of the property as reported by the Village Assessor or an appraiser acceptable to the CDA.
6. Access to Program Funds: Program funds will typically be provided in installments to applicants through draw requests as expenditures are made in accordance with the funding application. The minimum draw request shall be \$5,000 or 20% of the approved loan amount, whichever is greater. All draw requests must be submitted within 90 days of the project completion date (to the Village's Finance Director?/BID?) to be eligible for reimbursement; if not funds are forfeited. The project completion date will be clearly noted in the construction schedule.
7. Expenditures: All expenditures must be properly documented. All draw requests must be supported by appropriate receipts, invoices, lien waivers, and proofs of payment prior to being processed. As applicable, all permits, inspections, and verifications of work done must also be completed in order to process any draw requests.
8. Eligible Activities: Activities eligible for funding include:
 - a) Real property acquisition, building demolition, site preparation, and similar site-related redevelopment activities to stimulate business development.
 - b) Interior and exterior building rehabilitation and new construction.
 - c) Leasehold improvements; the acquisition of furniture, fixtures, and equipment.
 - d) Operating Expenses/Working Capital not to exceed 20% of total loan amount.
9. Ineligible Activities: Activities **not** eligible for funding include:
 - a) Purchasing equity in private businesses.
 - b) Subsidizing interest payments on existing loans and other working capital expenses.
 - c) Refinancing loans made by other lenders or investors.
 - d) Contributing equity required of borrowers participating in other loan programs.
 - e) Financing deposits in interest-bearing accounts, certificates of deposit, and other cash investments.
 - f) Home based businesses.
10. Other Considerations: Typically, Village assistance will consist of providing financing for fixed assets that are an integral part of the proposed project and up to 20% operating expenses/working capital.

11. Standard Loan Terms: Standard terms for installment loans are as follows:
- a) Real property acquisition, site-related redevelopment, building rehabilitation—maximum of ten (10) years.
 - b) Leasehold improvements, Furniture, fixtures, equipment and working capital -- three to seven (3-7) years depending on the size of the program loan and the ratio of private sector investment in the project.

The specific term for an individual borrower may also be based on the useful life of the asset, as well as the terms offered by the private sector financial institution participating in the project. However, the CDA retains the right to adjust individual loan terms in order to facilitate a successful loan fund project.

10. Need Determination: Each applicant must demonstrate that Business Loan Program financing is necessary to make the project feasible and that alternative sources of financing the total project is not available on reasonable terms.
11. Interest Rate: Interest charged to the borrower will be the cost of funds to the Village, based on the “true interest cost” of the Village’s last taxable borrowing prior to closing rounded to the next one-tenth (0.1) percent (the “Village Interest Rate”) plus 1%. The interest rate charged to the borrower will be fixed for the entire term of the loan at the time a loan agreement is signed with the Village.
12. Deferral of Principal and Interest: The Business Incentive Program has the option of deferring principal payments upon demonstration by the recipient business that a deferral is required to make the project feasible. This deferral period begins from the date of the first participant draw disbursement.
13. Equity Requirements: The CDA may require an equity injection for Business Incentive Loan Program projects, when appropriate.
14. Collateral Requirements: Each Business Loan Program project will include a Financing Agreement between the Village and recipient business that details the terms and conditions of the loan fund financing, along with supporting collateral documents. In addition, performance bonding may be required when deemed necessary to protect the CDA’s interest in the project.

Collateral requirements will be determined on an individual basis by the CDA and may include mortgages on land and buildings; liens on furniture, fixtures, and equipment; and liens on accounts receivable and inventory. This collateral may be subordinated to private sector financial institutions participating in the project, if required. In addition, junior liens on all business assets may be used where appropriate. Personal guarantees from the principals of the business with 20 percent or more ownership will be required.

Finally, loan recipients will be required to maintain property-casualty insurance for the appraised value of the property being financed, and have the CDA listed as an additional insured on the policy.

15. General Policies for Restructuring Loans: Business Loan Program loans may be restructured when restructuring will improve the borrower's ability to repay the loan, as long as the business is financially viable as evidenced through a business credit analysis. The CDA will work with the owner(s) of the business to determine the need for restructuring, and, if appropriate, the CDA may restructure the loan to improve cash flow within the business.
16. Program Fees: The CDA will require a loan application fee of **\$300 to be paid** to the Village of Shorewood at the time of loan application. If the application is approved, a loan origination fee equal to one (1.0) percent of the loan amount, plus payment of any legal fees incurred by the CDA for the loan closing, will be added to the principal amount of the loan and paid with program monies. The CDA reserves the right to waive or reduce these financing origination fees.
17. Availability of Funds: Available funding for the program will be managed by the CDA. In those instances, where the number of requests exceeds available funding, applications will be prioritized based upon the following: Priority will be given to first floor retail uses, specifically retail and restaurant uses, within the business corridor and first floor office uses that create daytime employment. Secondary priority will be given to other uses and upper floor uses within the business district. (See Attachment A for a list of preferred and non-preferred uses and Attachment B for a map of the business district). When feasible, the amount of CDA monies contributed to each project may also be reduced in order to facilitate as many requests as possible. The CDA will follow procedures outlined in the Loan Management and Administration Document to make these decisions.
18. Project Completion Date: All projects must be initiated within six (6) months following approval of the financing application and completed within one (1) year of loan closing. Authorizations/approvals for program participation lapses at the project completion date. The CDA may provide extensions beyond the time limit, if warranted, upon the request of the applicant.
19. Additional Requirements: All CDA-financed activities must:
 - a) Contribute proportionately to the achievement of the Village of Shorewood's economic development goals as outlined in the Village of Shorewood Central District Master Plan and Commercial Design Guidelines, as adopted by the CDA and the Village Board.
 - b) Have the applicant retain ownership for sufficient time to complete the project, stabilize its occupancy, and establish project management.
 - c) Not damage designated Village landmarks.
 - d) Comply with all applicable policies, rules, codes, regulations, and statutes of the Village of Shorewood and State of Wisconsin.

* * *

Attachment B
VILLAGE OF SHOREWOOD
BUSINESS LOAN PROGRAM APPLICATION

Name: _____

Address: _____

Business Name: _____

Address: _____

Telephone No.: _____

Brief Project Description:

Sources and Uses of Funds

	Business Incentive Loan Program	Bank Financing	Other Government Assistance	Equity Financing	Total
a) Land / Building Purchase					

d) Building Renovation					
e) Capital Equipment					
f) Operating Expenses /Working Capitol					
SUBTOTAL					
Closing Costs (1%)					
TOTAL COSTS					

Business Loan Program Assistance Requested

a) Loan Amount	
c) Loan Term (years)	
d) Deferral Period (months)	

Source of Bank Financing:

Name: _____

Address: _____

Contact Person: _____

Telephone No.: _____

Loan Amount: \$ _____

Source of Equity Financing:

Name: _____

Address: _____

Telephone No.: _____

Amount: \$ _____

Date Certain that the Project Will Begin: _____

I hereby certify that the information provided above and in the attached supporting documentation is to the best of my knowledge true and correct. I also agree to pay the loan origination fee and any legal expenses, as defined in the Village of Shorewood Business Loan Program manual, should a loan be approved by the Village of Shorewood Community Development Authority.

Applicant Signature

Date

For additional information about the Village of Shorewood Business Loan Program, please contact the BID Director at (414) 272-5823.

Please submit the Business Loan Program application and supporting documentation to:

BID Director
c/o Village of Shorewood
3930 N. Murray Avenue
Shorewood, WI 53211

* * *

VILLAGE OF SHOREWOOD BUSINESS LOAN PROGRAM: PROJECT DOCUMENTATION

The following supporting documentation should be submitted along with each Business Loan Program application.

1. A business plan that provides the information identified (See Attached Template #1).
2. Three years of the applicant's most recent financial statements or three years of the applicant's most recent Federal Income Tax Returns.
3. Financial projections including, at a minimum, a balance sheet at project initiation and income statements for the first three years of the project (See Attached Template #2)
4. Personal financial statements for the applicant (See Attached Template #3).
5. A statement of the anticipated community benefits to be derived from the proposed loan fund project and the reasons why the project will not take place or be financially successful without financing from the Business Incentive Loan Program.
6. A letter of commitment from the financial institution or other source(s) of debt financing that is a part of the project.
7. Cost estimates **(provided by 2 competitive BIDS?)** and a binding construction schedule, with a not to exceed project completion date, for all fixed assets to be purchased or real estate improvements to be made indicating those funded by Business Loan Program monies.
8. A lease or pre-lease agreement for rental property, an offer to purchase for the acquisition of commercial real estate, or a warranty deed for existing commercial real estate.
9. Other documentation that may be required by the CDA that is deemed important relative to a determination regarding the Business Loan Program project.

* * *

Attachment A
VILLAGE OF SHOREWOOD
BUSINESS LOAN PROGRAM APPLICATION

Since 2007, the Village of Shorewood, Community Development Authority, and Business Improvement District have been actively engaged with current owners and real estate developers on the retail mix and offerings in the commercial corridors of the Village's business district. The goals for the revitalization of the business district are outlined in Shorewood's Central District Master Plan (2006 and 2014) and in the Retail Market Development Plan (2009 and updated in 2013) (the preceding documents are collectively referred to as the "Planning Documents"). The Planning Documents guide the preferred tenant categories outlined below and will serve as the standard against which requests for any non-preferred uses will be measured. The procedures set forth herein are in addition to, and do not replace, Village ordinances regulations and licensing requirements.

Preferred Uses

1. Restaurants including: Fine dining, casual dining, full-service, limited-service, delis and breakfast establishments, specialty establishments such as smoothie bars, yogurt shops, candy stores. **Coffee shops, Bars & Taverns ???**
2. Retail Establishments including: Apparel, jewelry, shoes, sporting goods, pet supplies, hardware/home Improvement, lawn and garden, art supplies/framing/galleries, furniture/home furnishings, electronics, music, craft/hobby, retail postal/packaging/printing, books/magazines/newsstands, florists, cards/gifts, toys

Non-Preferred Uses

1. Service Uses including insurance, banking, financial, legal, realty, staffing, cleaners, gas stations
2. Health and Personal Care including clinics, doctor/dentist offices, **hair salons, nail salons, ??** massage parlors, chiropractic, funeral, vet clinics, pharmacies
3. Tattoo parlors, gun shops, smoke shops, pawn shops, check cashing stores, adult entertainment
4. Non-profit organizations/businesses
5. Any proposed use not included as a "Preferred Use"

****The CDA reserves the right to review the above uses annually and make changes by a majority vote of the CDA members.*

Attachment B
VILLAGE OF SHOREWOOD
BUSINESS DISTRICT MAP

NEED MAP OF THE BUSINESS DISTRICT

Attachment C
VILLAGE OF SHOREWOOD
(?)

Template #1
VILLAGE OF SHOREWOOD
Sample Business Plan

Template #2

VILLAGE OF SHOREWOOD

Sample Balance Sheet and Income Statement

Template #3
VILLAGE OF SHOREWOOD
Sample Personal Financial Statements

From: Allison Rozek [<mailto:allison.rozek@gmail.com>]
Sent: Sunday, September 04, 2016 10:31 AM
To: Hammond, Peter
Cc: Chris Swartz; michal dawson; Jim Plaisted; Mark Emanuelson; Ericka Lang
Subject: Facade Improvement Program - Sept 3rd Draft

Good morning sub-committee members. I have finished making edits (from our last discussion). Please read the entire document as I made substantial edits back to the original language of BID administration. I also made some judgement calls on the Attachment titled "Facade Improvement Program Agreement" which we did not get to discuss in the last sub-committee meeting do to time.

Also, please review the definition of the "target area." I tried to incorporate wording of "business district" and "commercial corridors" to ensure we have covered all commercial properties in the Village. Peter: feel free to change if it can be stated better. I think the Target Area Map (which I added as an official Attachment) will make it crystal clear.

There are still outstanding questions that we identified that Peter H. wanted to discuss with the full CDA. They include the following: administration, storefront language, dollar amount. These 3 topics for discussion are highlighted in YELLOW in the attached program document. You will see that I left the dollar amount at \$10,000 and changed administration back to the BID. I got a little trip up when it talked about Design Review Applications (I believe they are turned into the Planning Director) so I left that one as her responsibility. I also know that at the Feb CDA meeting, the members adopted changes to the Facade Grant Program that required the Village Planning Director to be the seconds "set of eyes" on the application and all documentation reviews so I left that duty as a joint review. I also added language that would require the BID Director to give a copy of the executed Facade Program Agreement to the Planning Director who will keep this official CDA document on file at Village Hall.

Another part to review is the section that states the rules that apply to an applicant if they have received over \$10,000 for the site within a 5 year period. I made it more clear that the \$10,000 limit applies to the commercial building/site rather than the business owner.

Lastly, I do not have the electronic version of the current Facade Improvement Program document. I have one, but it was not a clean version, as it still had suggested changes in RED that were put in after the February CDA/Board vote for modification. I do not beleive there was another version after that. Jim: did you have the clean version of the original? Is it on the BID Website? If so, can you send to us?

As with the loan document, I am not tech savvy enough to know how to compare versions electronically to show all the changes. As there have been so many changes in content and format, it may make sense to just have each CDA member compare them side by side in their review.

Please let me know if there is anything further you would like me to do.

Thanks everyone, Ali



Community Development Authority

FAÇADE IMPROVEMENT PROGRAM
(Revised 9/3/16)

PURPOSE

This Facade Improvement Program is established to stimulate exterior building improvements to existing commercial storefronts in the Village of Shorewood. Improvements shall be sufficient in scope to produce visible improvements to commercial building facades.

PROGRAM GOALS

- Enhance the attractiveness of the Village's Business District.
- Promote a high level of maintenance for a sustainable Business District.
- Promote commercial vitality and increased economic activity in the Business District.
- Maintain or improve existing commercial property values within the Business District which may also effectuate an increase in property values of the surrounding residential areas.

TARGET AREA

The Target Area for this Facade Improvement Program includes commercial properties along the following commercial corridors, within the Village of Shorewood boundaries - both sides of Oakland Avenue and Capitol Drive and the east side of Wilson Drive. (See Attachment A for a map of the Target Area).

ELIGIBLE ACTIVITIES

Eligible activities shall include but are not limited to the following improvements made to commercial building façade(s) facing a public street:

- Repair and/or replacement of the original building's materials and decorative details which are deteriorated or missing.
- Repair of non-original materials which cannot be removed due to deterioration of the underlying original building material.
- Cleaning of exterior building surfaces.
- Tuck pointing and masonry repair.
- Painting.
- Repair, replacement or addition of entrances, doors, display windows, transoms and upper story windows.
- Removal, repair and/or replacement of existing signs and awnings.
- New signs and awnings attached to the building facade, up to \$1,500.
- Design fees on completed projects up to \$1000.
- Permanent exterior lighting.
- Screening of dumpsters and parking lots, if made of high quality materials, such as wrought iron.

NON-ELIGIBLE ACTIVITIES

- Work on non-mixed use, residential buildings.
- Work on a commercial building facade not facing a public street
- Work on a roof and/or flooring.
- Work done before execution of a Façade Improvement Program Agreement (See Attachment B).
- Purchase of property.
- Construction of a NEW building (Construction of an entirely new building AND construction of any renovation where over 50% of the square footage of the building renovation is new construction).
- Patios, decks, or balconies not facing a public street
- Parklets
- Fixtures and equipment.
- Inventory.
- Landscaping.

PROGRAM FUNDING

This program is established to stimulate eligible exterior improvements to existing commercial storefronts. Two types of grants are available under the program.

Concept Design Grant

This grant will share the cost of developing a conceptual design and cost estimate for improvement of the subject building facade. An approved applicant will receive 90% of the consultant cost for developing the completed conceptual design and cost estimate up to \$1000.

Facade Improvement Grant

This grant will share in the actual cost of implementing the improvements identified in the conceptual design and cost estimate including the cost to complete final design and construction documents. An approved applicant will receive an amount equal to 50% of the aforementioned costs up to \$10,000 per storefront, with a cap for signage at \$1,500. Interior renovations when simultaneously planned for construction and paid for privately by the Owner/Applicant can count towards the Façade Improvement Program required matching funds.

A property owner or business owner that is proposing to do additional improvements to a commercial storefront in which past improvements were funded by the Facade Improvement Program, may apply for a Facade Improvement Program grant. However, this Façade Improvement Program limits grants to \$10,000 per storefront, per five-year period. Subsequent requests within that five-year period will require direct approval by a majority vote of the CDA members.

APPLICATION PROCESS

- A. An official application (found on the Village of Shorewood's website and the Business Improvement District's (BID) website) containing all information requested on the application, including sign off from the property owner. Before filling out this application, consult with the BID Director to ensure the project would qualify for this program. At this meeting, the BID Director may request and conduct an on-site visit with the Applicant.
- B. An Official Application shall be submitted to the to the BID Director by an Owner/Applicant.
- C. The BID Director will share this application with the Village Planning Director. They will review the application then meet with the Owner/Applicant to discuss the concept design process and potential budget parameters.
- D. A qualified design professional prepares a schematic concept elevation of the facade and a cost estimate for approval by Owner/Applicant, BID Director, and the Village Planning Director.
- E. Owner/Applicant will submit, to the Village Planning Director, a Design Review Board Application including professional material samples for the remodeling concept to the Shorewood Design Review Board for approval.
- F. Owner/Applicant will obtain a minimum of two written proposals from experienced contractors to complete the remodeling in accordance with the plans and specifications and all applicable laws and then submit to the BID Director for his review and approval. The Owner/Applicant is not required to accept the lowest bid; However, if there is a difference in total pricing by 20% between the 2 bids and the Owner/Applicant is deciding to go with the more expensive bid, the Owner/Applicant is responsible for explaining in writing why there is a pricing difference and why the higher bid is being chosen.
- G. Once all approvals required in steps A-F are obtained, the Owner/Applicant and the BID Director will execute a Façade Improvement Program Agreement in which the Owner/Applicant agrees to complete the project within one year. Construction on façade improvement must commence within 30 days of execution of the Façade Improvement Program Agreement. In return, the BID agrees to reimburse the Owner/Applicant for 50% of the exterior façade costs of the project, up to \$10,000 per storefront, with signage reimbursement capped at \$1500, including the preparation of plans and specifications, upon completion of the project. The BID Director will make a copy of the Façade Improvement Program Agreement, including all supporting documents, and submit it to the Village Planning Director who be the official keeper of all Façade Improvement Program Agreements. All invoices, canceled checks, and lien waivers for the project

work must be reviewed and approved by the BID Director and Village Planning Director before grant reimbursement occurs.

Attachment A
VILLAGE OF SHOREWOOD
Façade Improvement Program Target Area

NEED MAP

Attachment B
VILLAGE OF SHOREWOOD
Facade Improvement Program Agreement

THIS AGREEMENT is made and entered into this _____ day of _____ by and between the Shorewood Business Improvement District (BID) and _____, applicant/owner (Recipient) of the subject property located at _____, in the Village of Shorewood, Wisconsin.

RECITALS

WHEREAS, the CDA is desirous of encouraging activities which enhance the attractiveness of the Village's Business District; promote a high level of maintenance for sustainable Business District; promote commercial vitality and increased economic activity in the Business District; and maintain or improve existing commercial property values within the Business District which may also effectuate an increase in property values of the surrounding residential areas; and

WHEREAS, the CDA and the Village Board have approved and adopted a FACADE IMPROVEMENT PROGRAM to encourage business and property owners to upgrade the commercial storefront facades; and

WHEREAS, pursuant to the FAÇADE IMPROVEMENT PROGRAM, the Recipient names above has applied for a grant to assist in completing facade improvements; and

WHEREAS, the CDA has designated the Business Improvement District (BID) Director to be the acting agent on its behalf;

WHEREAS, after reviewing the application submitted by Recipient, the BID Director and Village Planning Director have found and determined that it would be beneficial to and serve to implement the goals of the Village's redevelopment effort in the Business District to support Recipient's facade improvement project through a grant of funds upon the terms and conditions hereinafter described; and

NOW, THEREFORE, for the mutual considerations described herein and other good and valuable consideration, the parties agree as follows:

I) BID obligations and responsibilities:

(A) After construction is completed and upon receipt of all documentation relating to the facade improvement project costs, the BID Director shall reimburse Recipient for one-half of the construction related costs up to a maximum grant of \$10,000. In the event that Recipient fails to complete the improvements within 6 months of signing this agreement, the BID shall not be liable for reimbursement for any construction costs

unless the BID Director and Village Planning Director agree otherwise in writing. Recipients must submit to the BID Director any request to approve extensions to that deadline at least 30 days prior to the project completion date if so needed.

(B) The BID shall not be liable for payments for services beyond the scope of the BID authorized improvements, nor shall the BID be liable for improvements which are made after the facade improvements project is completed or after the BID has authorized reimbursement to the Recipient.

(C) The BID shall not be a party to nor is it liable for any contractual payments to any contractors, architects or other third parties. Payments to any contractors, architects or other parties are the sole responsibility of the Recipient.

II) Recipient obligations and responsibilities:

(A) Recipient agrees to accept grant funds in an amount not to exceed \$10,000. Such grant funds shall be given on a reimbursement basis and shall only be for one-half of the construction related costs up to a maximum grant amount of \$10,000 (with reimbursement for signage capped at \$1,500); and

(B) Recipient acknowledges and agrees that the grant funds are to be used solely for exterior facade improvements on the subject property located at:

_____.

(C) Recipient is the owner of the subject property or has submitted the owner's written consent to improve the subject property on the grant application form which is attached hereto as Exhibit "A"; and

(D) Recipient has submitted a final design sketch or plan of the exterior facade improvements which has been approved by the Village of Shorewood Design Review Board and is attached hereto as Exhibit "B". Recipient acknowledges that all facade improvements completed shall be consistent with the aforesaid plans and be in conformance with all federal, state, county and municipal laws, ordinances, codes and regulations; and

(E) Recipient has submitted two written proposals from qualified contractors which are attached hereto as Exhibit "C"; and

(F) Recipient agrees that all facade improvements as set forth in Exhibit "B" shall be completed on or before one year from the time this agreement is signed by both parties ("the completion date") and no grant fund reimbursement payments shall be made prior to completion; and

(G) Recipient shall maintain books, records, and documents in accordance with generally accepted accounting procedures and practices to maintain adequate internal

controls which, relating to storefront facade improvements, sufficiently and properly reflect all expenditures of funds provided by the BID under this Agreement; and

(H) Recipient shall make all books and records pertaining to the facade improvement project available to the BID and/or CDA/Village staff for inspection, review and audit purposes at all reasonable times upon demand for the term of this Agreement and for three (3) years thereafter; and

(I) The recipient shall submit to the BID not more than sixty (60) days after the facade improvement project is completed, all supporting documentation relating to the costs associated with the improvements on the subject property; and

(J) The Recipient and or the Recipient's contractor(s) shall carry worker's compensation insurance to cover all workers involved in the project. Recipient shall maintain, at its own expense, General Liability Insurance covering the subject property and the resultant uses thereof in the amount of \$1,000,000.00 and will maintain property damage coverage for a minimum of \$100,000.00 the premium of which shall be paid prior to execution of this Agreement. Said insurance shall name the BID as an additional insured; and shall provide the BID with notice of any cancellation or change in coverage. Recipient shall furnish the BID with certificates of Insurance. Any lapse of this coverage during this period of the Agreement shall be grounds for termination of the Agreement by the BID Director as the acting agent for the CDA.

(III) Term of Agreement

This Agreement shall commence upon execution and shall expire sixty (60) days after the Completion Date. In the event that the Recipient fails to commence the project within thirty (30) days from the date of execution of this Agreement, BID Director as the acting agent of the CDA reserves the right to terminate this Agreement upon ten (10) days' notice to Recipient.

Application received date: _____

Grant approved date: _____

Project budget: _____

Grant amount: _____

Execution date: _____

Commencement date: _____

Completion date: _____

Exhibit A
Commercial Property Owner's Written Consent

Exhibit B
Final Design Sketch or Plan of the Exterior Façade Improvements
Approved by the Village of Shorewood Design Review Board

Exhibit C
Two Written Proposals from Qualified Contractors

Community Development Authority Project List

Updated 9-2-2016

Project or Program	Status	Comment
Metro Market Redevelopment	Completed	
Mixed Use Development Oakland/Olive	In process.	Retail completion Fall 2016. Rest February 2017.
Sherman Redevelopment	In process	Construction start delayed for DNR soil review.
<hr/>		
CDA Financial Plan and Projections	Ongoing	The CDA 2015 Annual Financial Report was completed and presented at a joint meeting of CDA and Village Board. Reviewed TID#1 closing scenarios.
Future CDA Strategies and Plans	In Process	Consolidated list from Master Plan. Completing member initiatives survey priorities and opportunities.
Commercial Business Recruitment and Retention	In process	Expect increased emphasis due to current vacancies and added Metro Market opportunities. Working on a restaurant opportunity.
Façade Program	Ongoing	Revisions completed February 2016. Further discussing program.
Business Incentive Loan Program	In process	CDA discussion April - June. Consideration September 2016
Work Group Update: Retail Relations		Continue efforts for Mixed Use tenant mix.
Work Group Update: Developer Relations		Meeting held late March and will continue quarterly meetings to understand market and Shorewood need.
Work Group Update: Community Outreach		Update provided to CDA 6/3/16.
Work Group Update: Ped and Bike Safety		
Work Group Update: Finance		