

MuskeGO Forward

Muskego's Economic Development Newsletter - July 2016

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Current Muskego Sale & Lease Databases:

Muskego Local Database
Locate in Wisconsin

Financing Aid Quick Links:

Revolving Loan Fund
Commercial Grant Program
Commercial Loan Program
Waukesha Co. Econ. Dev. Corp.
Wisconsin Business Development
Small Business Administration
Wisconsin Econ. Dev. Corp.

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As you might imagine this issue is full of the latest information surrounding the recently approved Parkland Towne Center development. The main reason behind all this coverage is that it is the single largest development approved for the City of Muskego coming in at an estimated value of over \$30 million. This will translate into a projected tax base of over \$600,000 a year once fully developed!

Many of us have struggled over the past decade seeing this vacant parcel in what is the heart of Muskego's downtown. However, it has not been without a lack of trying.

While the old Parkland Mall parcel remained undeveloped the city went forth strong to create an identity thru the Janesville reconstruction project. The city went forth strong by supporting the many other business parcels sur-



rounding the Parkland parcel via hundreds of thousands in grants and loans throughout the downtown. Now via some creative tax increment financing (TIF) the city has now accomplished the new Parkland Towne Center redevelopment as well.

Here is looking forward to the Parkland Towne Center development and the new businesses, jobs, and dynamic it may bring to the Muskego downtown. Cheers to all those involved in making this a reality as this is over a decade in the making!

Jeff Muenkel, CECD AICP EDFP
Community Development Director

FINANCING SPOTLIGHT

Tax Increment Financing (TIF)



So what exactly is tax increment financing (TIF)? Below you can find surrounding information on what TIF is and how it has been recently used in the City of Muskego. This tool was critical in making the Parkland Towne Center (PTC) development a reality.

TIF is a public financing method where a community can designate an area for redevelopment (the tax increment district (TID)) and contributions (incentives, road/water/sewer construction costs) to that district. The monies that the community contributes to the district are then paid back by any "new" taxes generated from the development in that district. These "new" taxes continue to go to the community until all principal and interest is paid off that was originally contributed to the TID. Once the monies are paid off the TID is dissolved and the taxes are then spread back to all taxing authorities.

TIDs have a very strict public approval process consisting of public hearings and required approvals by the governing municipality as well as

approvals required from all taxing jurisdictions (the Joint Review Board). State Statutes govern TIDs and require that TIDs are dissolved, or closed, in no more than twenty (20) to twenty-seven (27) years.

The City of Muskego is very particular and diligent when it has come to allowing TIF incentives for developments. The city has adopted TIF policies which they compare to a particular proposal. The policies look to ensure that the any TIF incentive is paid of well before any of the State Statute allowances referenced above in order to assure that the newly created taxes are filtered back into the overall community as fast as possible.

Over the past decade the City of Muskego has utilized TIF to build over 450,000 square feet of businesses while creating over 300 jobs. The PTC development itself is predicted to have over 150 jobs and hundreds of thousands in new tax base as well. All this development was found that it would not have been created to such a high degree without the use of a TIF.



NEW DEVELOPMENT NOTES

Parkland Towne Center: It was a long approval process but the Parkland Towne Center did receive final tax incremental finance and rezoning approvals as of May. The approvals now allow the development to begin construction of what will ultimately be built out with 50,000 square feet of commercial space and ninety (90) units of apartments.

The approved site plan is found below which shows that the commercial structures should total four (4) consisting of two (2) multi tenant structures (12,500 SF & 7,500 SF) and two (2) single tenant structures (4,000 SF & 30,000 SF). Three (3) apartment structures are scheduled that will have thirty (30) apartment units each.



The phasing of Parkland Towne Center will see all the

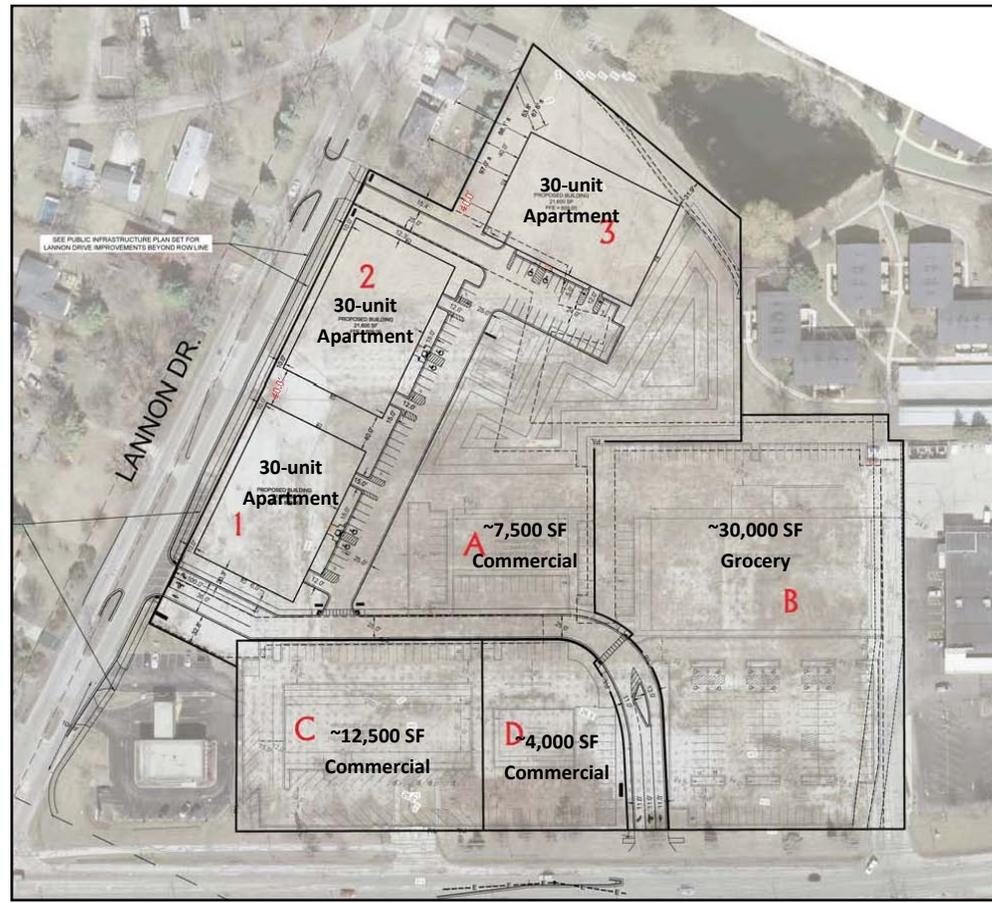
groundwork and utilities being installed during the course of 2016. Further, the first apartment structure will start taking shape as well. That apartment will be unique in the sense that it will be four (4) stories tall with parking on the first floor and residences on the upper three (3) floors.

Phase two will consist of the commercial structures getting city architecture approvals and beginning construction. The developer, Ener Con Companies Inc., announced that the grocery store Sendik's will be a part of the development anchoring the east side frontage of Janesville Road. It is anticipated that the other commercial structures will follow closely behind once Sendik's moves down the approval process as many interested businesses are looking to be a neighbor of this fine grocery store.



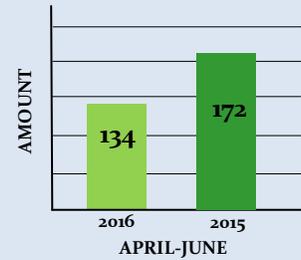
The Parkland Towne Center development was proposed to the City of Muskego with a request for tax increment financing (TIF). A financing package was ultimately approved by the Common Council due to the unique circumstances surrounding the property. First off, the parcel has been vacant and is seen as a key piece of the Muskego downtown business puzzle that will increase jobs and overall enhance business within the downtown confines. Secondly, the developers showed that the parcel has many challenges for construction including poor soils and a higher water table.

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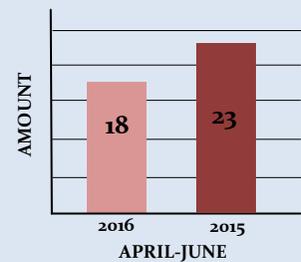


Development Statistics:

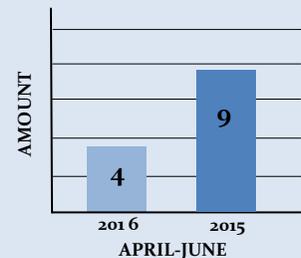
Residential Building Permits Issued



New Home Permits Issued:



Commercial Permits Issued:



MapMuskego

See all mapping layers for your property including zoning, property lines, orthophotos (aerial photos), utilities, and measurements. Also you can find links to the recorded plats and other recorded documents. The tool can be found on the City's website [here](#).



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NEW DEVELOPMENT NOTES *Cont.*

Parkland Towne Center Continued: Given this, a tax incremental district (TID) Plan was approved that allows Muskego to grant incentives of up to \$6.8 million for the \$33 million development. These incentives are heavily laden with risk on the developer though as the incentives can only be given to the developer once they show that the infrastructure and commercial structures are first installed. In fact, the majority of the incentives (59%) will not be disbursed to the developer until the new taxes are actually generated and paid. This is known as a “pay as you go” TIF. Essentially, if the developer doesn’t perform and build the development they have shown, they don’t get paid the incentives.

The TID that is approved for the development is calculated to be paid off in just over fifteen (15) years with new taxes generated of over \$600,000 a year. Such tax generation is a far cry from the \$37 a year that the parcel currently enjoys for our taxing jurisdictions! Couple this tax generation with many potential new businesses, over a hundred new jobs, and a group of new residents and we should see a major change to the business and community atmosphere in Muskego’s downtown.

Please stay tuned throughout the next years to see the commercial architecture and site planning come to fruition as well as the new businesses that pop up in this new downtown area.

New Business: The last issue of MuskeGO Forward displayed the new 80,000 square foot business structure currently being built in the Com-



merce Center East along Moorland Road. We now know the first tenant in this new building to be Cosentino North America! Cosentino is a well known Spanish company that produces and distributes innovative surfaces with high value for architecture and design. The Muskego tenant space will be used as a warehousing and small office facility. Find more out about this world class company at their website [here](#).

Business Registrations: Below please find some new businesses moving or expanding in Muskego within some of the existing tenant spaces in the community.

⇒ **Summit Credit Union:** The new credit union is now open just north of Janesville Road at W156 S6840 Moorland Road. Find all the great services they provide [here](#).



⇒ **Pack N Brew LLC:** Look for this new bar and restaurant to open at S78 W16355 Woods Road just south of where Lannon Drive connects to Woods. A full menu and interior updates to this long time venue will be found during the course of summer 2016. Please stop in soon!

⇒ **Liberty Printing & Graphics:** A new commercial printing and graphics business is now open in the Muskego Business Park along Challenger Drive. Good luck to Andy Schroepfer at this new Muskego location!

MISC. ECONOMIC DEVELOPMENT NOTES

WEDC Idle Sites Redevelopment Grant: Community Development staff eagerly submitted for an Idle Sites Redevelopment Grant from the Wisconsin Economic Development Corporation (WEDC) back in December 2015. The grant is allowed to go to community development projects that are industrial or commercial properties of over ten (10) acres and have been idle, abandoned, or underutilized for a period of at least five (5) years. Given the impending development of the former Parkland Mall property, along with the idleness of the property for over a decade, it seemed like a good fit. A submission for a maximum amount of \$500,000 was forwarded to WEDC

and the city is anxiously awaiting news if Muskego was awarded.

The grant could be a huge asset to the overall Parkland Towne Center project financing. \$500,000 would easily reduce the tax increment district (TID) by over a year. Further, such a grant would reduce the city’s overall financing risk as well as show a positive partnership for furthering business in Wisconsin between the State and the City of Muskego.



Did You Know.....

That the City of Muskego will be adopting a new Park and Conservation Plan this summer?

A year’s worth of effort by the City staff and the parks and Conservation Committee has culminated in the most involved park planning effort to date. Sur-



veys have been sent to residents on the efficiencies/deficiencies and needs/wants for the overall park and conservation system. Further city staff performed in depth assessments of each park and conservation area involving recreation, conservation, maintenance, and engineering perspectives.

The result is a plan full of bold new recreational and maintenance recommendations that should help shape the city’s park system for the next five (5) years. The plan also dives into the city trail system and how to improve this vital piece to economic development in the community as well.

Look for the draft plan along with adoption public meeting times on the city’s [website](#).

Social Media:

Keep up with the latest in Muskego via our social media links below. These media links have been great for the city in getting the word out on various subjects! Like us today!!

