

VILLAGE OF SAUKVILLE

Community Development Authority

639 East Green Bay Avenue * Saukville, Wisconsin



ECONOMIC DEVELOPMENT INCENTIVE PROGRAM – 2010

OVERVIEW/PURPOSE

In order to expand economic development opportunities for the Village of Saukville, diversify and increase the tax base, offer improved employment opportunities for its citizens and promote the economic growth and welfare of the business community during historically difficult economic conditions, all of which serve a public purpose, the Community Development Authority (CDA) has established economic development incentive guidelines to encourage new commerce and industry to locate in the village, to assist with existing industrial/manufacturing expansion and startups, and to leverage the networking capacities of the Milwaukee 7 area commercial real estate brokerage community. The CDA Economic Development Incentive Program (EDI Program) formalizes guidelines and establishes parameters by which all locally administered and funded incentive programs shall operate.

Dekora Woods Business Park Land Discount Program (LANDIS)

The CDA is the primary land owner of vacant, development ready land in Dekora Woods Business Park. To date, the CDA has successfully managed the growth and aesthetics of the park, annually reviewing the sale price of land and actively advancing initiatives that will add acreage with superior building site qualities.

Beginning immediately in 2010, the CDA initiated the Land Discount (LANDIS) Program to help counteract the dragging effects of a lingering credit and demand crisis negatively impacting all commerce, especially manufacturing, felt locally as evidenced by the failure to close any land transactions since August 2008. LANDIS will discount available, development-ready land in the business park to \$15,000/acre (a 50% discount) for deals involving 2 or more acres. The standard sales addendum and reversionary clause remain in effect. The program will remain in effect with six month performance reviews until rescinded or suspended by the CDA via formal action.

Targeted Commercial District Broker Incentive Grant Program (BIG)

The CDA is a strong proponent of planned development, particularly in the high density, high value commercial districts of the Village bordering and adjacent to freeway interchange at I-43 and STH 33. To assist the Village in attracting high quality development, the CDA is initiating a grant program intended to leverage the professional networking capacity of the Milwaukee regional commercial real estate brokerage community to benefit the Village via an increased number of looks at potential sites in the village from broker-facilitated developer interests.

A successful closing of sale of vacant land in one of the Village’s planned development districts or a purchase or long term lease (minimum 60 months – building; 24 months - retail tenant space) of any currently vacant commercial use building or retail tenant space in the Village which results in the issuance of local building permits within six months of closing the deal will result in a Broker Incentive Grant (BIG) award to the broker or brokerage firm responsible for consummating the deal. When Milwaukee 7 area brokers think about the Village of Saukville, we want them to think BIG.

The BIG program should be capitalized to a specified amount not to exceed \$100,000. If this program is to be effective in addressing all currently vacant commercial retail and industrial space in the village, a minimum program capitalization of **\$22,000** will be required – just to fill vacant space:

Site	Square feet	Incentive payment
620 East Green Bay Av.	1,500	\$ 1,000
700 East Milan Dr.	Approx. 20,000	5,000
100 South Main Street	5,400	2,500
520 West Technology Way	Approx. 10,000	2,500
560 West Technology Way	5 units@1,500	5,000
407 North Progress Dr.	Approx. 2,000	1,000
500 North Progress Dr.	Approx. 10,000	2,500
700 North Progress Dr.	Approx. 16,000	<u>2,500</u>
		\$22,000

An additional amount should be allocated to the new construction/redevelopment effort so that tax base is not only maintained, but expanded.

Upon achieving the maximum incentive level, the program will terminate unless extended via formal CDA action. Every six months for the duration of the program, performance reviews shall be conducted by the CDA to determine ongoing programmatic needs and identify results and successes. Staff recommendation for initial program funding is \$65,000 and further recommends that \$25,000 be set aside to incentivize eligible vacant space occupancies, while \$40,000 be reserved to fund broker incentives for four (4) eligible new development or redevelopment project awards. BIG awards will be issued by the CDA according to the following terms and conditions:

Vacant Retail Tenant Space

Deal-making brokers who secure a long term lease (24 month lease minimum) of vacant retail tenant space, 1,500 square feet or greater in area, are eligible for a \$1,000 BIG award. The tenant space must be vacant and available for at least 60 days prior to eligibility.

Vacant Buildings

Deals resulting in successful occupancies (sale or 60+ month lease) within six months of the deal closing, of vacant commercial buildings that have been vacant and available for at least 60 days:

Vacant Buildings under 20,000 square feet - \$2,500 BIG award

Vacant Buildings 20,000 square feet or greater - \$5,000 BIG award

New Construction – Including Redevelopment

Deals involving the sale of vacant or improved land resulting in the construction of a new building, or an addition or alteration to existing buildings where permits for such activity are issued within six months of deal closing, and project added values meet or exceed \$1,000,000 based on Village assessment or actual projects costs, are eligible for \$10,000 BIG awards.

New Single Family, Multi-Family or Condominium Residential Development

Vacant land brokered to accommodate residential new construction in the Village of Saukville will qualify the deal-making broker for a \$10,000 BIG award if permits for approved developments are issued within twelve months of land closing. Dedicated single family developments must be designed for a minimum of 30 home sites. Multi-family and condominium deals must result in project added values of at least \$3,500,000 and no less than 24 units per project. Any project combination of these housing products meeting the minimum added value of \$3,500,000 or creating at least 30 new dwelling units is eligible.

Additional Program Conditions

All brokers presenting deals for participation in the BIG Program must be able to adequately document their primary involvement in deals eligible for awards, including sales or lease terms and any other documentation requested by the CDA required for eligibility confirmation. Eligible brokers may not also be owners or co-owners of the subject buildings or land, or owners' employees or relatives.

Reviewed and Approved by the Community Development Authority, March 15, 2010.