

MuskeGO Forward

Muskego's Economic Development Newsletter - July 2015

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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
Midwest Disaster Bonds
Waukesha Co. Econ. Dev. Corp.
Wisconsin Business Development
Small Business Administration
Wisconsin Econ. Dev. Corp.

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One major theme of this rendition of MuskeGO Forward is that businesses are reinvesting in themselves. This is evident from the financial partnerships the city has made with some key downtown businesses via a few of our incentive programs. We always envisioned more business growth once the Janesville Road reconstruction project was completed and we are definitely seeing these seeds being planted.

Be assured that Muskego will continue to think outside the box in financing techniques in hopes of spurring new growth and reinvestment. We know that every project is different in the level of financing or the amount of upfront costs that may be required. Due to this, Mus-



kego is ready to react quickly. Grant and loan monies are earmarked specifically for business enhancements and we also have a tax increment district ready to help out larger developmental efforts in the downtown.

As always, thanks for reading and hopefully we will be using some of these downtown incentive mechanisms to seal up some of those "gap" development holes in our downtown confines!

Jeff Muenkel, AICP EDFP
Community Development Director

FINANCING SPOTLIGHT Industrial Revenue Bonds



One funding aid that the City of Muskego can be a helper in, but one that is often overlooked, is an industrial revenue bond (IRB). An IRB is a tax-exempt bond that is issued, in name only, thru a local municipality specifically for industrial related development. An IRB can finance buildings, equipment, land, and bond issuance costs. One item an IRB cannot finance however is working capital. Here are some of the qualified uses for an IRB:

- 95% of bond must be used for the project.
- No more than 2% of the bond proceeds may be used to pay the cost of issuing the bonds.
- No more than 25% of net bond proceeds can be used to finance facilities (including land, buildings, and equipment) which are directly related and ancillary to the core manufacturing facilities.
- No more than 25% of the net proceeds of the bonds may be used for land acquisition.
- No used property can be acquired with bond proceeds, unless substantial rehabilitation is done within two years after the later of the date the property was acquired or the date the bond was issued. Substantial rehabilitation means 15% of the amount financed with the proceeds of the bonds for buildings, 100% for "structures other than a building", which, essentially, means the bond cannot be used to acquire used equipment.

- The average maturity of the bonds cannot exceed 120% of the weighted average economic life of the project.
- All of the proceeds must be used within a three-year period.

IRBs are allowed for a broad range of companies that fall into the industrial and/or manufacturing realm. Manufacturing includes nearly every type of processing that results in a change in the condition of tangible property. However, this would include activities relating to live animals or provisions of recreational services, wholesaling, retailing, or repair services.

The City of Muskego's most recent partnership for an IRB was with the company Northern Gear in 2013. Northern Gear utilized the benefits of an IRB to get \$7,200,000 worth of tax exempt bonds!

If you or a company you know is interested in pursuing an IRB for an expansion OR if a company is about to start a financing project and could use the benefits of an IRB, please have them get a hold of Jeff Muenkel in the City's Community Development Department at (262) 679-4136. There are a couple local law firms that specialize in the IRB process and discussions with those firms have found that the benefits of an IRB outweighs any approval process headaches.



NEW DEVELOPMENT NOTES

NABCO Entrances, Inc.: The City's Planning Commission recently approved a new building, site, and operation plan for NABCO to take over a new building just down the street from their main facility in the Muskego Business Park. NABCO is experiencing large growth and the need for more manufacturing and office space has become apparent. Thus, NABCO is completing some extensive modifications to the 1 acre site and 19,000 SF structure located at W184 S8204 Gemini Drive. Overall, the proposed modifications will greatly enhance the appearance of the current site which has sat for sale for some time now. Good luck to NABCO as they expand their Gyro Tech automated entrance systems. Find more about NABCO Entrances [here](#).



Agritourism: Recently the city had a proposal from a farm in the southern half of the community that holds agritourism

activities on site. Agritourism activities are broad and can be defined as uses that combine tourism and agricultural practices that include activities that bring visitors to a working farm or ranch for enjoyment and education. The city found that these activities can help keep Muskego's rural heritage while providing excellent economic development opportunities. Thus, the city will moving forward with code amendments to allow these activities on our farms in the future.

Indian Motorcycles: Congrats to Mark Ciepluch for getting an Indian Motorcycle dealership in Muskego. Enthusiasts will note that Indian isn't found in too many locations to begin with. Find Indian Motorcycles at W191 S7757 Racine Avenue next to the Piggly Wiggly shopping center area in the same venue with 2Boss Performance.



MISCELLANEOUS ECON. DEV. NOTES

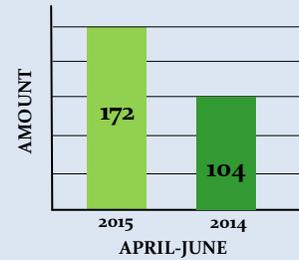
Connect Community Designation: The City of Muskego was acknowledged by the State of Wisconsin as a new Connect Community in 2015. The program is essentially a vehicle for community's to get services from the State to enhance their downtown areas. The State has a Main Street Program that past economic development plans and boards of the city have inquired about. However, the city doesn't qualify for the Main Street program at this time. The Connect Communities Program allows many of the benefits of a Main Street Program to help aid in enhancing a community's downtown. Connect Communities program participants will have immediate access to experienced staff within the Wisconsin Economic Development Corporation (WEDC) and to the leaders within the Connect Communities Network. Program services include:

- A ListServ/network group to get new ideas from staff and other participating Connect Communities
- Participation in Main Street Executive Director Workshops with a focus on downtown revitalization topics

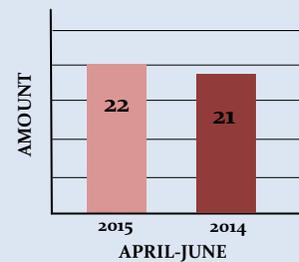
- An on-site visit from one of WEDC's community development staff to assist in identifying needs and offering assistance
 - Training for your downtown director or board president
 - Regional roundtable discussion groups on pertinent topics held once every year
 - Possible opportunities to link college/university student projects to your downtown/urban commercial district needs
 - Roundtable discussion groups on pertinent topics held twice per year
 - Access to WEDC's online downtown development library
 - Access to resources and training materials that have been developed for Wisconsin Main Street communities
 - Invitation to the annual Main Street Awards Program, plus eligibility to nominate a project for a Connect Communities award
- Up to 20 communities are selected to participate each year and applicants are scored based on the following criteria: strength of committee/organization, need for assistance, clearly defined downtown/urban commercial district, local resources available and potential.

Development Statistics:

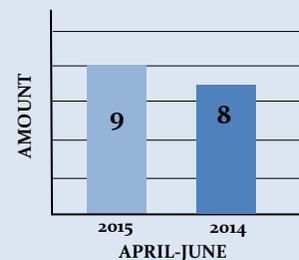
Residential Building Permits Issued



New Home Permits Issued:



Commercial Permits Issued:



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!!



MapMuskego

Another important tool on the City's website found [here](#). See all mapping layers for your property including plats and other recorded documents of your property!





MISCELLANEOUS ECON. DEV. NOTES CONT.

Economic Development Incentives: Muskego continues to be a considerable financial partner with our local area businesses to help them in their development endeavors. Here are some of the projects and participation amounts over these past three (3) months:

- **Marx Pioneer Inn:** A Commercial Building & Site Program grant was approved for the Pioneer Inn located at W180 S7808 Pioneer Drive. The \$4,300 matching grant will go towards a new monument sign for the property. Mr. Mark Sobczak has done many improvements to this property over the years and Muskego is proud to partner in another improvement for this historic redevelopment district area.



• **Muskego Mobil Gas Station:** A \$13,700 grant was awarded for Mr. Hardip Singh Bhatti ("Hardi") at the Muskego Mobil located at S73 W16437 Janesville Road. Hardi is planning a wealth of façade improvements that will include re-facing the entire front façade with new brick. The brick will also adorn the columns of the gas canopy and the monument sign when the project is complete. The property is within the city's tax incremental finance district #8 and the monies from the TID #8 will be utilized for this beautification project.



• **Alpha Plastics:** A Revolving Loan Fund was approved for Alpha Plastics located in our Muskego Business Park at S82 W19362 Apollo Drive. The loan is for \$200,000 and has a low interest rate of 1.625%! This is Alpha's second RLF loan over the years and the city is happy to extend a second loan as the RLF requires the owner to create one full-time equivalent job for each \$20,000 borrowed. Thus, Alpha will be creating ten (10) new full-time equivalent jobs over the next five years while getting the financing they need for new equipment and expansion.



NOTE: The Commercial Grant and Loan Programs may come to an end this summer subject to further Council approval so act now if you're interested in a business redevelopment project within the City's downtown area.

The list of all the Muskego incentives along with more information and applications can be found on the City's website [here](#).



- **DeWinter Eye Care Center:** The Council allowed the largest TID #8 grant to date for the new DeWinter Eye Care Center that is to be built on the SW corner of Janesville Road and Bay Lane Drive this summer. While the grant was the highest, the level of developer investment is also the greatest. The development is looking to cost over \$1,600,000 with the city aiding in a \$75,000 grant. The net result is a 21:1 ratio of developer dollars to city incentive dollars. Further, the development looks to create over \$18,000/year in tax base which would pay off the city incentive in just over four (4) years while allowing the tax base to also help pay off the TID sooner as well in the long run. This is a great win-win situation and will be an excellent gateway development to the east side of Muskego's downtown area!

- **Max A Sass & Sons Funeral Home:** Our local funeral home is planning some major site renovations including a full parking lot redo as well as considerable new landscaping for the site located on W173 S7629 Westwood Drive. The city agreed to be a partner in this beautification effort via the Commercial Building & Site Grant program and a \$4,884 grant for their proposed \$65,000+ worth of improvements.



Did You Know.....

that the City's Community Development Director Jeff Muenkel recently received designation as a Certified Economic Developer (CEcD) from the International Economic Development Council (IEDC)?

With over 10 years of economic development experience, Jeff Muenkel now has the CEcD designation to go with his American Institute of Certified Planners designation (AICP) and an Economic Development Finance Professional designation (EDFP). The CEcD training and education will continue to help us to improve the economic development climate for the City of Muskego by working to retain/expand businesses, adding jobs, creating grant/loan programs, implementing redevelopment districts, and negotiating tax increment district development projects.

The CEcD designation recognizes qualified and dedicated practitioners in the economic development field and sets the standard of excellence within the profession. Candidates must pass a rigorous and comprehensive three-part, two-day examination, which tests a practitioner's knowledge, proficiency and judgment in the key areas of economic development, including business retention and expansion, marketing, finance, workforce development, community development, real estate, strategic planning, tech-led economic development, and management. There are currently only thirty-three (33) active CEcDs in the State of Wisconsin and approximately 1,100 in the United States.

Chamber of Commerce: Don't forget to be a part of our great business partner the Muskego Chamber of Commerce.



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www.muskego.org