



11333 N Cedarburg Road  
Mequon, WI 53092  
P: 262-236-2902  
F: 262-242-9655  
[www.ci.mequon.wi.us](http://www.ci.mequon.wi.us)

Department of Community Development

**Economic Development Board  
February 23, 2016  
7:30 AM  
North Conference Room  
Mequon City Hall  
11333 N Cedarburg Road**

**AGENDA**

1. Call to Order, Roll Call.
2. Approval of Meeting Minutes: February 2, 2016
3. Town Center TID No. 3 Incentive Application for Dermond Property Investments LLC  
**Discuss & Recommend**
4. Staff Updates
5. Announcements  
**Next Meeting is March 22, 2016**
6. Adjourn

**Dated: February 19, 2016**

**/s/ Tim Carr, Chairman**

.....  
*Notice is hereby given that a quorum of other governmental bodies may be present at this meeting to present, discuss and / or gather information about a subject over which they have decision making responsibility, although they will not take formal action thereto at this meeting.*

*Any questions regarding this agenda may be directed to the Dept. of Community Development office at 262-236-2902, Monday through Friday, 8:00 a.m. – 4:30 p.m.*

*Persons with disabilities requiring accommodations for attendance at this meeting should contact the City Clerk's Office at 262-236-2914, twenty-four (24) hours in advance of the meeting.*



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Department of Community Development

**Economic Development Board  
February 2, 2016  
7:30 AM  
North Conference Room  
Mequon City Hall  
11333 N Cedarburg Road  
Minutes**

**1. Call to Order, Roll Call.**

Members present: Tim Carr, Jim Baka, Mason Holbrook, Gloria Rosenberg, Rick Schneyder, John Wirth, Ald. Connie Pukaite

Staff and City Representatives Present:  
Kim Tollefson, Director of Community Development

**2. Approval of meeting minutes**

Ms. Rosenberg made a motion to approve the meeting minutes from November 3, 2015.  
Ald. Pukaite seconded the motion.

***A voice vote was called.***

***All voted aye. (7-0)***

**3. Welcome Rick Schneyder & Introduction of Board Members**

Ms. Tollefson welcomed Rick Schneyder to EDB and each member of the board introduced themselves.

**4. Town Center Business Development Loan Program Application for Ruby Tap**

- Mr. Robert Helm, Vice President, First Bank Financial Centre

Ms. Tollefson stated that the role of the EDB is to take action and render an opinion and recommendation for the Finance and Personnel and the Common Council (CC) boards. She explained that the loan program with First Financial was established in 2013 through the EDB. The EDB's key role is to evaluate whether the business is the type of business that is the desired type of business for the Town Center (TC). There are specific criteria in the program to prioritize the type of business that is appropriate for the Loan program:

- Job creation
- Business expansion
- New business that provides and attracts large groups of people (gathering space)

and creating vitality).

First Financials role is to evaluate the loan application. The City does not have any financial commitment to the loan. The loan will be between the applicant and First Financial. One of the reasons to work this through the process is to promote the program. This is the first applicant to apply.

Mr. Helm stated that they have similar programs in other communities that have been successful. They set aside \$250,000 for the community with a \$25,000 maximum loan amount with a 1% interest rate amortized up to 10 years. He said this is first applicant but he has been talking to a few others that are interested in the program. He stated that they have seen that in other communities it just grows and grows as one applicant talks to another and the information gets out into the community that this program is available.

Mr. Carr stated that this program is a win-win for everyone involved and he feels that the first applicant is a fit for what the City is looking for.

Mr. Helm stated they underwrite the loan and they collect 3 years of tax returns, The applicants have an existing operation in Wauwatosa and this is their second site, so historical financials and two years of projections were also reviewed.

Ms. Tollefson stated that this business really hits the mark as a desired business in the TC. They appeal to a wide variety of customers, they have been busy since they opened and she feels they are a great synergy between Colectivo and ultimately Café Hollander.

Ald. Pukaite stated that the requested loan appears to be specifically for the purpose of improving the outside patio area.

**Action:**

Mr. Wirth made a motion to approve the item.

Ms. Rosenberg seconded the motion

***A voice vote was called.***

***All voted aye. (7-0)***

Mr. Helm encouraged the EDB to help promote the program to other businesses.

**5. Revolving Loan Fund Application for Big Shot Sports**

- Ms. Kathleen Cady-Schilling, Executive Director, Ozaukee Economic Development

Ms. Schilling stated that the Mequon Revolving Loan Fund (RLF) is funded by Federal Community Development Block Grant dollars. They are given by the state and the City of Mequon received the dollars for the loan in which dollars are lent out and then paid back. The returned fund stays in the program which the City can use to continue to revolve. Some of the recent loans are:

- Joey Gerard's restaurant, (Baralotta) and Spectrum Investment Advisors.

All of the loans are current and they are all being paid back.

The current application is a smaller loan for the former Nichol Park Golf Range, which is a golf driving range. They are going to use the loan for land acquisition, capital equipment and working capital. The entire project is relatively small and the entire loan is for \$50,000. This is a new company so a review was done of proposed financials,

personal financials of the applicant. A personal guarantee is always required. Due to not having much collateral in the land, a second mortgage on the applicant's personal home was required.

She stated that one challenge with this loan originally was that it requires 2.5 full-time equivalent job positions to be created. One of the concerns was whether these positions would be able to be created in a seasonal type of position. The business will be operated year round; they will be providing indoor golf instruction during the winter. They have contracted with First Tee and will be running programs for them throughout the winter as well. First Tee is the PGA's youth golf program. In addition, the applicant is hoping to establish some relationships with the local high school golf programs.

Mr. Carr asked if there will be improvements made to the facility.

Ms. Schilling answered that there will be improvements made to both the golf area and the interior. Long term the applicant would like to obtain a beer and wine license.

Mr. Wirth asked if the projected revenues for year one were similar to what was created there previously. He stated the issue is the location of the facility is not on the east side of town.

Ms. Schilling answered that there were not financials provided from the previous owner. The proposed program was reviewed by the bank and deemed acceptable.

Mr. Wirth stated that the second mortgage on his house is not meaningful because he has no equity in his house. The second mortgage on the range does not have much value either. He stated that it is a \$50,000 gamble that will not be paid back if the business fails.

Ms. Schilling stated that there has only been one default in the county.

Mr. Wirth stated that there was one default in Mequon as well many years ago.

Mr. Schneyder stated he has concerns that the applicant will not be on site. He is concerned that this business did not succeed before. He would also like to know who the staff is going to be. He feels that there is a lot of golf already in Mequon.

Mr. Wirth asked if all the applicant's liquid assets are going into this deal. He is concerned with the fact that the RFL is larger than his personal investment. The City has a bigger investment than the applicant. Otherwise he does meet the criteria for the loan. He feels that the fact that there was a viable business previously; there is a positive track record at this location.

Mr. Baka stated that First Tee is a program focused on underprivileged children. They believe in diversity. He feels that a contract creates a very different environment and they will be required to bring in a certain amount of kids to the facility.

Ms. Schilling stated that if the applicant does not create the required 2.5 staff; he would default on the loan.

Mr. Wirth inquired if the Minnesota property could be used as collateral.

Ms. Schilling stated that there is not a mortgage on the Minnesota property and that it is

an option. She added that they typically try to take collateral located in Wisconsin, but it is something that could be done.

Mr. Baka stated that he would like to see the First Tee contract. He would like to see what revenue is being generated from the contract.

**Action:**

Mr. Wirth recommended approval to the CC with a condition that a mortgage on the St. Paul property versus the Milwaukee property be required and also requested submission of the First Tee contract.

Ald. Pukaite seconded the motion.

Mr. Holbrook stated that this property would be a good location for kids from Milwaukee.

Mr. Wirth stated that as long as the loan is secured and he does support the kids being bused in to play golf, he supports the loan. If asked if we hold the applicant for 1 month to wait for the First Tee contract or request that it be submitted to CC for review. He asked to have the information circulated to the EDB for review as well.

Ms. Schilling stated the City's loan program requires that the interest rate can be 0% but we typically execute at 1/2 of prime; it is 1.75%. She explained that each city was able to set the programs.

Mr. Wirth stated that the City is not keeping pace with inflation and the program funds cannot grow and should consider a change related to this program.

Ms. Schilling was asked for a breakdown on the loan amount. She stated that \$25,000 is for the acquisition of the land, \$10,000 is for working capital and the rest is for equipment; \$7,000 for building renovation and \$5,000 for working capital.

Mr. Schneyder asked about viewing the resumes of hired staff. He feels the hired GM is the basis of a successful business since the owner will not be on site.

**Action:**

***A voice vote was called.***

***All voted aye. (7-0)***

## **6. Staff Updates**

- Ms. Tollefson stated that an unfinished item from the work program from 2014 is focus groups. She will bring ideas to the EDB to move forward with this item.
- Ms. Tollefson recently met with Partnership Bank. They are interested in establishing a program similar to First Financial and asked staff to consider a targeted geographic area or specific properties that the City would like to see developed. Staff will put together a list of priority sites or ideas. The representative from Partnership Bank; Joe Nelson, may come to one of the next EDB meetings to discuss the list with the board for feedback.

Ms. Tollefson stated that there are two TC TIF incentive initiate requests. She is working with Ehlers and the developers regarding the requests.

- Dermond Property multi-family development project on Buntrock
- Multi-family project on Mequon Road which is part of the PUD by the Assisted Living Memory Care.

Items from the Planning Commission:

- Lakeside Oriole Lane Development – wooded property and wetlands issues. Proposing 9 single family condo homes.
- Oldenburg Farm – action to be taken by CC for a proposed 21 lot conservation subdivision on 221 acres. The surrounding neighborhood is strongly opposed because they do not feel that it fits the rural character. The other option is a 5-acre design which will not visually make a difference. The property meets all the criteria for a conservation subdivision. The developer is offering dedicated public land along Little Menomonee River to the City. This would help create a greater green space on the west side and the City could put in trails which would be great for the City.

Ald. Pukaite stated that the Oriole Lane project is a concern due to the drainage issues there.

Kohler Credit Union is seeking a rezoning from B-3 to B-2. They are having difficulty renting out space. Staff recommended they come forward for a text amendment but they are requesting rezoning approval.

Mr. Baka asked about the status of the Shaffer project.

Ms. Tollefson answered that a workshop session later in the month with the CC is scheduled where the contract to purchase will be ready for approval and a draft development agreement will be ready. Cindy Shaffer's team will have an opportunity to meet with the whole CC to review concept plan and consider some of the changes with that based on site conditions and the context of the surrounding neighborhood.

Ms. Tolleson asked the board if there were any ideas or objectives they want to address. She asked if they would like a status update on each of the TIFs.

The board responded yes.

Mr. Wirth stated that he feels that EDB should make recommendations to CC about what the City should be doing to promote economic development outreach. He feels that Mequon does a lot less than other communities.

Ald. Pukaite stated that City staff is very strapped in terms of the number of staff able to do work on these programs.

Mr. Wirth suggested that if the EDB makes a recommendation to the CC that this is needed in our City, maybe it will be a signal to them.

Mr. Baka stated that it was discussed previously to reach out to the local universities for their assistance. He stated that Concordia is very committed to providing assistance from a marketing standpoint.

Mr. Wirth stated that it needs to be determined what needs to be done. Then decide who does it. He said that peer communities have a staff person dedicated to selling the community and developing their website.

Ms. Pukaite stated that Mequon simply does not have the staff to do this. There is not staff time to do this at this point. She encouraged that someone outside of the City staff would need to assist in these efforts.

Mr. Carr stated that the EDB has ability in its members to help in these efforts. There is enthusiasm for it to be done.

Mr. Baka offered to reach out and make some inquiries to Concordia University for help. He said they could probably do the comparative analysis for us.

Ms. Tollefson stated that the Shaffer project is a major focus for her for the next 9 months or so. It is imperative that the development is a success.

## **7. Adjourn**

The next meeting is scheduled for February 23, 2016.

Mr. Wirth made a motion to adjourn.

Ms. Rosenberg seconded the motion.

The meeting adjourned at 8:46 am.



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DEPARTMENT OF COMMUNITY DEVELOPMENT

MEMORANDUM

**To:** Economic Development Board  
**From:** Kim Tollefson, Director of Community Development  
**Date:** February 23, 2016  
**Subject:** Dermond Town Center TID Incentive Application

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**Background:** Dermond Property Investments, LLC, has submitted a proposal for a Town Center TID financial incentive under the Fast Track Formula that has been applied to other projects in the City's TIDs, including Outpost Natural Foods. Under the TC TID project plan, qualifying development projects allow for receivership of a financial incentive for redevelopment efforts. The following outlines the criteria:

- New construction value of \$3M beyond the current improvement value.
- The payback period is 15 years or less.
- The maximum incentive allowed is the "gap", which is defined as the removal base improvement value plus the cost of site demolition and repair and a 5% incentive.

**Application:** Dermond's application shows the following:

- A total new construction value estimated at \$8.0M, which is a net value of \$7.79M beyond the current improvement value of \$204,200.
- A total eligible incentive under the Fast Track Formula of \$647,000.
- A payback period, based on estimated annual tax revenue, that would occur in 5 years.

If the City provided an incentive of \$50,000 each year. This allows the City to capture \$80,000, or 61.5% of the total estimated increment annually for the TID. Based on the Council's policy direction at the time of authorizing an incentive, and because it is most beneficial to the City to receive increment early on for the long term health of the district, payment in full each year will likely not be supported.

The percentage split between the City and the applicant in capturing the total increment is similar to the percentage split negotiated for the Outpost Natural Foods TID incentive under the Fast Track Formula. Staff identifies that under this incentive schedule, the Dermond proposal would require a return of increment of approximately \$150,000 in the final year of the TID in order to return the full incentive dollars as estimated under the defined Gap.

The proposal meets the standards to qualify for TID funds. The City's financial consultant, Jim Mann of Ehlers & Associates, Inc. will attend our Board meeting to further discuss the details of the project pro forma and values (please see attached memo dated February 17, 2016). Included for the Board's review is the Dermond Property Investments, LLC, construction costs for

demolition and site repair and a copy of the Fast Track Formula under the City's TID incentive policy as it applies to the subject redevelopment site.

***Staff Summary:*** The application complies with the conditions to receive an incentive and meets the policy goals and objectives of the Town Center Zoning and Town Center TID project plan. The Dermond redevelopment proposal has received all necessary approvals by the Council and would be constructed starting in 2016 (please see attached the approved development plans).



# Memo

**To:** Kimberly Tollefson, Economic Development Director  
City of Mequon

**From:** James A. Mann, Senior Municipal Advisor/Director

**Cc:** Dawn Gunderson-Schiel, Senior Municipal Advisor/Vice President

**Date:** February 17, 2016

**Subject:** Dermond Development Incentive Proposal

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The City has requested Ehlers to review the development proposal to construct 33 residential units at 11130 N. Buntrock Road. As part of the development proposal, the developer, Dermond Properties Incorporated, has requested that the City provide a development incentive in the amount \$647,427.

The overall proposed development would have a developed value range of approximately \$7.5 - \$8.0 M upon completion. The incentive equates to a little over \$19,000 per unit and represents an 8% equity partner in the project.

Ehlers has evaluated the developer cash flow provided by Dermond, and have concluded that without an incentive in the range of what is asked for that the development likely would not occur. Based upon our analysis, the development is thin from cash on cash (COC) and Internal Rate of Return (IRR) perspectives. Typically a developer would look towards a 10% COC return, whereas this project is running sub 10% for the first eight years, including the annual incentive payments. Further, we would expect the developer to be targeting a projected 15% IRR in year ten, however our calculation indicates that the IRR to be in 13% range.

## TID Impact

In looking at the overall development value, Ehlers also evaluated the impact that the development would have on TID #3. Based on a development value of approximately \$8.0M, the taxes generated would be approximately \$130,000 annually. The annual incentive payment at the level requested, would commit approximately \$50,000 to repay the municipal revenue obligation (development incentive) over time. The net impact to the TID would be a positive \$800,000.

Ehlers would recommend that if the City chooses to undertake the project at the levels requested, that the City should impose a "look back" on the project expenses and valuation to determine whether the initial incentive level is appropriate prior to the discharging of the municipal revenue obligation.





# City of Mequon

## Tax Increment District No. 3 Tax Increment Projection Worksheet

<b>Type of District</b>	Mixed Use
<b>Anticipated Creation Date</b>	2/12/2008
<b>Valuation Date</b>	Jan. 1, 2008
<b>Maximum Life (In Years)</b>	20
<b>Expenditure Period (In Years)</b>	15
<b>Revenue Periods/Final Rev Year</b>	19 - 2028
<b>End of Expenditure Period</b>	2/12/2023
<b>Latest Termination Date</b>	2/12/2028
<b>Eligible for Extension/No. of Years</b>	Yes 3
<b>Eligible Recipient District</b>	No

<b>Projected Base Value</b>	41,083,100
<b>Property Appreciation Factor</b>	0.50%
<b>Current Tax Rate (Per \$1,000 EV)</b>	\$16.45
<b>Tax Rate Adjustment Factor (Next 2 Years)</b>	
<b>Tax Rate Adjustment Factor (Following 2 Years)</b>	
<b>Tax Rate Adjustment Factor (Thereafter)</b>	

<b>Discount Rate 1 for NPV Calculation</b>	4.50%
<b>Discount Rate 2 for NPV Calculation</b>	6.50%

<b>Apply Inflation Factor to Base?</b>	<input type="checkbox"/>
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Construction Year	Value Added	Valuation Year	Inflation Increment	Valuation Increment	Revenue Year	Tax Rate	Tax Increment
1 2008		2009	0		2010		
2 2009		2010			2011		
3 2010		2011			2012		
4 2011		2012			2013		
5 2012		2013			2014		
6 2013		2014			2015	16.94	
7 2014		2015	0	0	2016	16.38	0
8 2015		2016	0	0	2017	16.38	0
9 2016	8,000,000	2017	0	8,000,000	2018	16.38	131,029
10 2017		2018	40,000	8,040,000	2019	16.38	131,684
11 2018		2019	40,200	8,080,200	2020	16.38	132,342
12 2019		2020	40,401	8,120,601	2021	16.38	133,004
13 2020		2021	40,603	8,161,204	2022	16.38	133,669
14 2021		2022	40,806	8,202,010	2023	16.38	134,337
15 2022		2023	41,010	8,243,020	2024	16.38	135,009
16 2023		2024	41,215	8,284,235	2025	16.38	135,684
17 2024		2025	41,421	8,325,656	2026	16.38	136,363
18 2025		2026	41,628	8,367,285	2027	16.38	137,044
19 2026		2027	41,836	8,409,121	2028	16.38	137,730
				409,121			8,000,000
				90,233,332			1,477,896

<b>Future Value of Increment</b>	1,477,896
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Year	Revenues				Expenditures						Balances		Project Cost Principal Outstanding	Year			
	Tax Increments	Investment Earnings	Capitalized Interest 2009 Issue	City Property Sale	Total Revenues	Taxable w/BAB Designation \$6,950,000 2009	Prin (\$/1) Est. Rate	Interest	Paying Agent	BAB Fee	Less BAB Rebate	Dermond Development Incentive			Total Expenditures	Annual	Cumulative
2008		0	0		0		0.56%						0	0	0	38,895	2008
2009		0	5,598		5,598				400	100			0	5,598	5,598	38,895	2009
2010		28			28	0	2,086		400		(730)		1,856	(1,828)	3,770	38,895	2010
2011		19			19	0	2,109		400	100	(738)		1,871	(1,852)	1,918	38,895	2011
2012		10			10	0	2,109		400	100	(738)		1,871	(1,861)	56	38,895	2012
2013		0			0	0	2,109		400	100	(738)		1,871	(1,871)	(1,814)	38,895	2013
2014		(9)			(9)	0	2,109		400	100	(679)		1,930	(1,939)	(3,753)	38,895	2014
2015	0	(19)			(19)	839	4,000%	2,109	400	100	(679)		2,769	(2,788)	(6,542)	38,056	2015
2016	0	(33)			(33)	1,399	4,500%	2,076	400	100	(668)		3,306	(3,339)	(9,881)	684,084	2016
2017	0	(49)			(49)	1,399	4,750%	2,013	400	100	(648)		3,264	(3,313)	(13,194)	682,684	2017
2018	131,029	(66)			130,963	1,679	5,000%	1,946	400	100	(627)	49,802	53,300	77,662	64,469	631,204	2018
2019	131,684	322			132,006	1,959	5,000%	1,862	400	100	(600)	49,802	53,737	78,483	142,952	579,443	2019
2020	132,342	715			133,057	2,239	5,000%	1,764	400	100	(568)	49,802	53,941	79,320	222,272	527,402	2020
2021	133,004	1,111			134,115	2,518	5,000%	1,652	400	100	(532)	49,802	53,941	80,175	302,447	475,082	2021
2022	133,669	1,512			135,181	3,078	5,100%	1,526	400	100	(492)	49,802	54,415	80,766	383,213	422,202	2022
2023	134,337	1,916			136,254	3,358	5,300%	1,369	400	100	(441)	49,802	54,588	81,565	464,879	369,042	2023
2024	135,009	2,324			137,334	3,638	5,600%	1,191	400	100	(384)	49,802	54,748	82,586	547,465	315,602	2024
2025	135,684	2,737			138,422	3,778	5,750%	988	400	100	(318)	49,802	54,749	83,672	631,137	262,023	2025
2026	136,363	3,156			139,518	4,057	5,750%	771	400	100	(248)	49,802	54,882	84,636	715,773	208,163	2026
2027	137,044	3,579			140,623	4,337	6,000%	537	400	100	(173)	49,802	55,003	85,620	801,393	154,024	2027
2028	137,730	4,007			141,737	4,617	6,000%	277	400	100	(89)	149,407	154,712	(12,975)	788,418	0	2028
<b>Total</b>	<b>1,477,896</b>	<b>21,261</b>	<b>5,598</b>	<b>0</b>	<b>1,504,754</b>	<b>38,895</b>		<b>30,605</b>	<b>7,600</b>	<b>1,900</b>	<b>(10,090)</b>	<b>647,427</b>	<b>716,337</b>	<b>788,418</b>			

NOTES:

Assumes use of \$1.5 M of original borrowed funds plus proportionate share of remaining projects.  
 Dermond Property Development equals 0.71% of TID, or 38,895 of the initial borrowed amount.  
 Combination of Dermond Development Incentive and proportionate share of projects amounts to 686,322

Projected TID Closure

Dermond Property Investments  
Fast Track Formula  
02.18.16

Base Improvement Value	204,200	A
Site Repair and Demolition	53,868	B
Total Costs of Gap	258,068	C = A + B
New Development Value	7,991,387	D
5% incentive (Net Improvement Value	389,359	E = .05 x (D-A)
<b>Total City Incentive = Gap plus 5% Incentive</b>	<b>647,427</b>	

**BUNTROCK MEQUON  
APARTMENT BUILDING**

MEQUON, WI

**ESTIMATE DETAIL - BUILDING  
CONCEPTUAL DESIGN ESTIMATE**

Monday, November 23, 2015



Description	Qty	Unit	Labor	\$/Unit			Subs	Labor	Material	Subtotals		
				Material	Subs	Material				Labor	Material	Sub
Existing Building Demolition - 1 Story Brick and Block Building	39,408	CF	\$ -	\$ -	\$ -	\$ 0.50	\$ -	\$ -	\$ -	\$ -	\$ 19,704	\$ 19,704
Existing Building Demolition - Frame Shed	1,020	CF	\$ -	\$ -	\$ -	\$ 0.50	\$ -	\$ -	\$ -	\$ -	\$ 510	\$ 510
<b>DEMOLITION</b>								Subtotal	\$ -	\$ -	\$ 20,214	\$ 20,214

Description	Qty	Unit	Labor	\$/Unit			Subs	Labor	Material	Subtotals		
				Material	Subs	Material				Labor	Material	Sub
Strip Paving / Site (in Site Development Allowance)	4,848	SY	\$ -	\$ -	\$ -	\$ 4.66	\$ -	\$ -	\$ -	\$ -	\$ 22,569	\$ 22,569
Cut/Fill/Spread Materials on Site - Assumed Non Contaminated	3,834	CY	\$ -	\$ -	\$ -	\$ 1.32	\$ -	\$ -	\$ -	\$ -	\$ 5,079	\$ 5,079
Silt Fence	836	LF	\$ -	\$ -	\$ -	\$ 2.00	\$ -	\$ -	\$ -	\$ -	\$ 1,672	\$ 1,672
<b>EXCAVATION</b>								Subtotal	\$ -	\$ -	\$ 29,320	\$ 29,320

Sub-Total	\$	49,534
Contingency	\$	2,477
Insurance	\$	495
Fee	\$	1,362
Total	\$	53,868

2016 Property Records for City of Mequon, Ozaukee County

Tax key number: 140270201000  
 Property address: 11130 N Buntrock Ave

County: Ozaukee  
 Owner name: Ked R and R 2 LLC  
 Owner address: 757 N Water St Ste 200  
 Milwaukee, WI 53202

Legal description: 0890397 PART NW NE 1.00 ACS COMM 1534 FT  
 W & 353 FT S NE COR NE S 207 FT E 210 FT N  
 207 FT W 210 FT POB SEC 27 T 9 R 21

Twn-Rge-Sec-Qtr-QQ: - - - 27 - -  
 Block-Lot / Acres: - / 0.998

Neighborhood: Buntrock Baehr Commercial  
 Nghbrhd group: Business/Industrial Parks

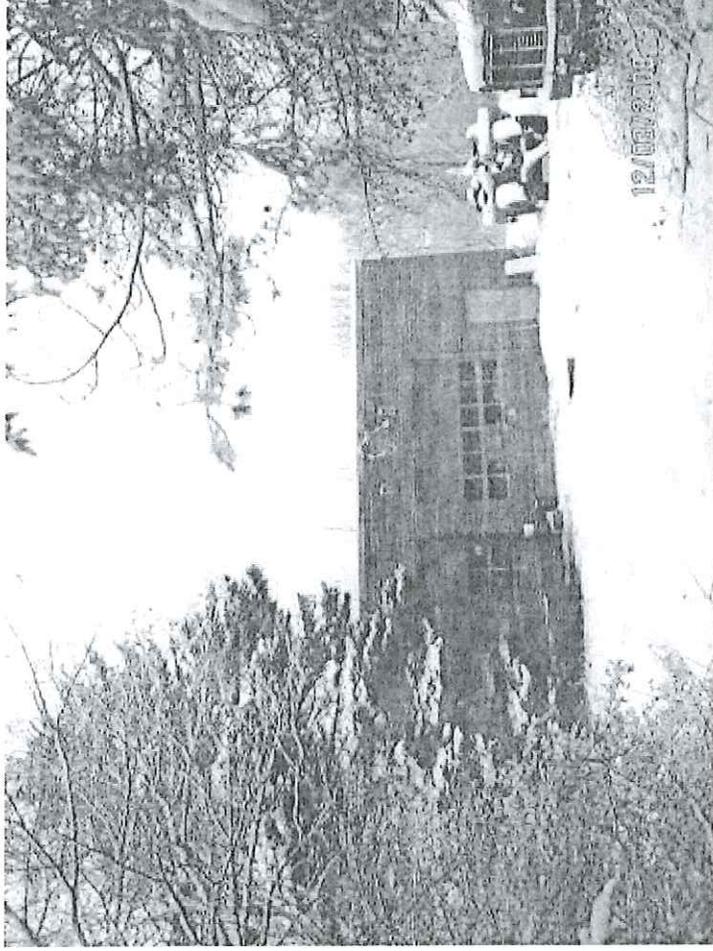
Zoning:  
 Flood plain?

Districts:  
 Mequon - 4999  
 Aldermanic 4  
 Leased Commercial  
 School 3479  
 TIF 1403  
 MATC

Traffic: Light  
 Water: City water  
 Sanitary: Sewer

Assessment History					
Year	Tax Class	Reasons for Change	Acres	Land	Improvements
2016	Commercial		0.998	\$179,600	\$204,200
		Totals	0.998	\$179,600	\$204,200
2015	Commercial		0.998	\$179,600	\$204,200
		Totals	0.998	\$179,600	\$204,200
2014	Commercial		0.998	\$179,600	\$204,200
		Totals	0.998	\$179,600	\$204,200
2013	Commercial		0.998	\$179,600	\$204,200
		Totals	0.998	\$179,600	\$204,200
2012	Commercial		0.998	\$179,600	\$204,200
		Totals	0.998	\$179,600	\$204,200
2011	Commercial		0.998	\$179,600	\$204,200
		Totals	0.998	\$179,600	\$204,200
2010	Commercial		0.998	\$179,600	\$204,200
		Totals	0.998	\$179,600	\$204,200
2009	Commercial	Revalue	0.998	\$179,600	\$204,200
		Totals	0.998	\$179,600	\$204,200
2008	Commercial		0.998	\$59,900	\$28,400
		Totals	0.998	\$59,900	\$28,400
2007	Commercial		0.998	\$59,900	\$28,400
		Totals	0.998	\$59,900	\$28,400
2006	Commercial		0.998	\$59,900	\$28,400
		Totals	0.998	\$59,900	\$28,400
2005	Commercial		0.998	\$59,900	\$28,400
		Totals	0.998	\$59,900	\$28,400
2004	Commercial		0.998	\$59,900	\$28,400
		Totals	0.998	\$59,900	\$28,400
2003	Commercial		0.998	\$59,900	\$28,400
		Totals	0.998	\$59,900	\$28,400
2002	Commercial		0.998	\$59,900	\$28,400
		Totals	0.998	\$59,900	\$28,400
2001	Commercial		0.998	\$57,000	\$23,000
		Totals	0.998	\$57,000	\$23,000
2000	Commercial		1.000	\$57,000	\$23,000
		Totals	1.000	\$57,000	\$23,000

Commercial Building Name	
Service Repair Garage	
Tax Class	
(1) Residential	(2) Commercial
(7) Agri homesite	(3) Manufacturing
(203) Exempt county	(201) Exempt sidera
	(202) Exempt stair
	(204) Exempt loca
	(205) Exempt other
Building Zip Code	Story Height
53092	1.00



Above Grade Section	Section Name	Stories	Perimeter (ft)	Total Area (sf)	Year Built	Expected Life	Years Remaining
	Section 1	1.00	160	1,600	1961	40	25

Occupancies	Designed Use	Actual Use	Construction Class	Avg Height (ft)	Area (sf)	Area (%)	Quality
	Service repair garage		Masonry bearing walls	14.00	1,600	100.0%	Good

Exterior walls	Component Description	Count	Stops	Area (sf)	Area (%)	Quality
	Brick with Block Back-up				30.0%	Average
HVAC	Space heater			1,600	100.0%	Average
Elevators						
Fire sprinklers						
Fire alarms						
Mezzanines						
Malls						
Balconies						



PERSPECTIVE - NORTHWEST CORNER

PERPECTIVES

A08

11130 BUNTROCK AVE

DATE: 11/09/2015  
PROJECT #: 15-136

KINDNESS  
SCHNEIDER  
DERMOND  
ARCHITECTS



PERSPECTIVE - SOUTHWEST CORNER

PERSPECTIVES

A09

11130 BUNTROCK AVE

DATE: 11/09/2015  
PROJECT #: 15-138

KINDNESS ARCHITECTURE

DERMOND  
DESIGN PARTNERS





PERSPECTIVE - VIEW FROM THE SOUTHEAST

PERSPECTIVES

A10

11130 BUNTROCK AVE

DATE: 11/09/2015  
PROJECT #: 15-138

KINDNESS  
ARCHITECTURE

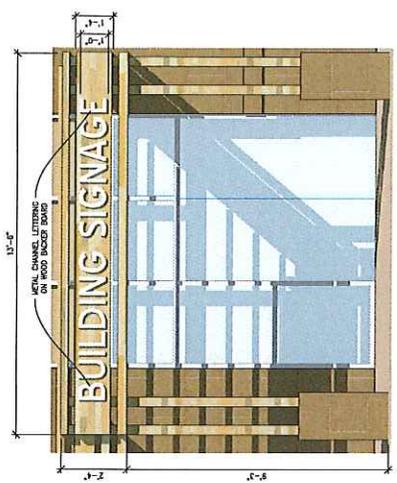
DERMOND  
DESIGN



**SOUTH ELEVATION**  
1/8"=1'-0"



**WEST ELEVATION**  
1/8"=1'-0"



**BUILDING SIGNAGE ELEVATION**  
1/2"=1'-0"

**EXTERIOR MATERIAL SCHEDULE**

MATERIAL	MANUFACTURER	SIZE	COLOR
STONE	GLAZIER BRICK	4" X 8"	CRACKLE TILE
BRICK	HERITAGE	30" X 36" X 8"	BUCKROCK
STONE BELL	HERITAGE	8" X 8"	BUCKROCK
STONE LUTEL	HERITAGE	16" X 8"	BUCKROCK
STONE FLAT BAND	HERITAGE	8" HIGH	BUCKROCK
STONE CHAMPFORD BAND	HERITAGE	8" HIGH	BUCKROCK
FIBER CEMENT TRIM BOARD	JAMES HARDIE	4" EXPOSED SMOOTH LAP SIDING	TRIMM BARK
FIBER CEMENT PANEL 1	JAMES HARDIE	8" EXPOSED SMOOTH LAP SIDING	ROAST BROWN
FIBER CEMENT PANEL 2	JAMES HARDIE	8" EXPOSED SMOOTH LAP SIDING	ROAST BROWN
FIBER CEMENT TRIM BOARD	JAMES HARDIE	SMOOTH VERTICAL SIDING	AUTUMN TAN
FIBER CEMENT TRIM BOARD	JAMES HARDIE	HARDBETWEEN SMOOTH BEARDS	NAVY BLUE
		3.5", 5.5", AND 11.5"	

**ELEVATIONS**  
**A06**

**11130 BUNTROCK AVE**  
 DATE: 11/09/2015  
 PROJECT #: 15-136  
**KINDNESS ARCHITECTURE**  
 DERMOND



**NORTH ELEVATION**  
1/8"=1'-0"



**EAST ELEVATION**  
1/8"=1'-0"

**EXTERIOR MATERIAL SCHEDULE**

MATERIAL	MANUFACTURER	SIZE	COLOR
BRICK	CLEVELAND BRICK	MODULAR	CHIMNEY POINT
STONE	HERITAGE	32" X 16" SMOOTH	BUCKSON
STONE	HERITAGE	24" X 12" SMOOTH	BUCKSON
STONE LATH	HERITAGE	24" X 4' 6"	BUFF
STONE CHAMFERED BAND	HERITAGE	2" HIGH	BUCKSON
FIBER CEMENT BOARD 1	JAMES HARDIE	4" HIGH	BUCKSON
FIBER CEMENT BOARD 2	JAMES HARDIE	4" EXPOSED SMOOTH LAP BOARD	TIMBER BARK
FIBER CEMENT PANEL 1	JAMES HARDIE	4" EXPOSED SMOOTH LAP BOARD	VAN HORN
FIBER CEMENT PANEL 2	JAMES HARDIE	SMOOTH VERTICAL BOARD	TIMBER BARK
FIBER CEMENT PANEL 3	JAMES HARDIE	SMOOTH VERTICAL BOARD	AUTUMN TAN
FIBER CEMENT TRIM BOARD	JAMES HARDIE	1/2" X 3 1/2" X 8' AND 1 1/2"	WAKO BEIGE

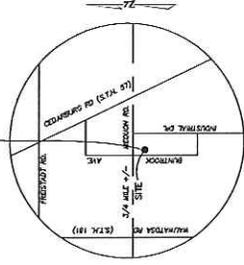
**A07**

**ELEVATIONS**  
1/8"=1'-0"

**11130 BUNTROCK AVE**

DATE: 11/09/2015  
PROJECT #: 15-136

**KINDNESS** ARCHITECTURE  
DERMOND  
DESIGNERS



VICINITY MAP  
NTS

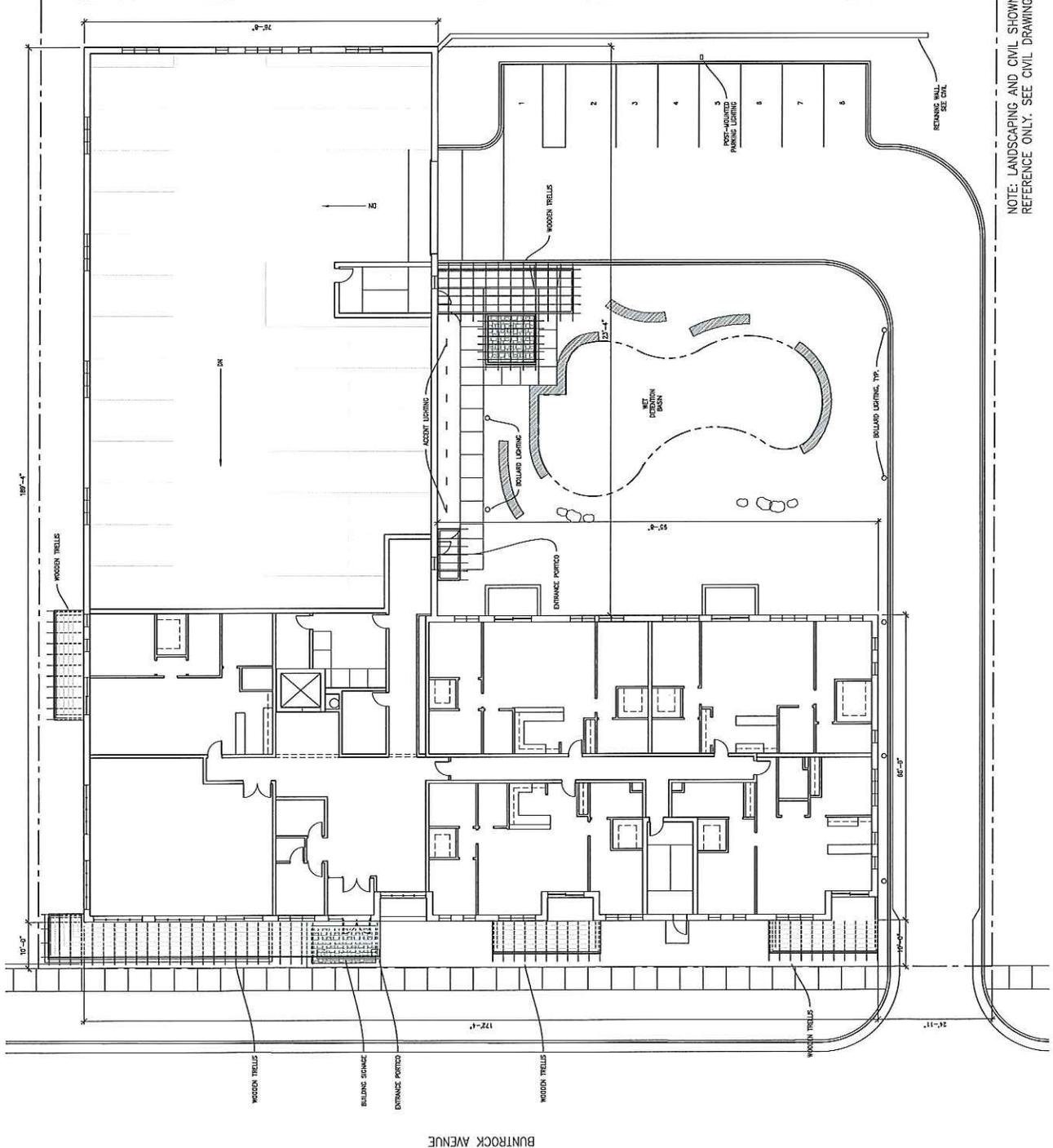
BUILDING FOOTPRINT: 20,654 SF  
 EXTERIOR PARKING & DRIVE: 7,433 SF  
 PARKING EXTERIOR: 8 SPACES (1 VAN ACCESSIBLE)



SITE PLAN  
1"=10'-0"

A02

11130 BUNTROCK AVE  
 DATE: 11/09/2015  
 PROJECT #: 15-136  
 KINDNESS  
 ARCHITECTURE  
 DERMOND  
 DESIGN PARTNERS



NOTE: LANDSCAPING AND CIVIL SHOWN FOR REFERENCE ONLY. SEE CIVIL DRAWINGS.

BUNTROCK AVENUE



**11130 North Buntrock Avenue  
Planned Unit Development Project Description  
Owner's Statement of Intent**

**Project Overview**

- A. **The Development Team:** Dermond Property Investments intends to build a three-story residential apartment building consisting of 33 apartment units and 63 parking spaces. The project will be located at 11130 North Buntrock Avenue and will consist of three-bedroom, two-bedroom and one-bedroom apartment units. Founded in 2004 by Eric, Max & Stephane Dermond, Dermond Property Investments (DPI) is an integrated Real Estate services Company with operations in acquisitions, new development, historical rehabilitation and property management. In 2009, DPI expanded its real estate portfolio to include residential development. Since its inception, DPI has acquired and redeveloped office properties in the Milwaukee area such as 757 North Water, which won the Downtown Achievement Award in 2007, 757 North Broadway and 225 East Mason, which are all located in downtown Milwaukee's financial district. Other opportunistic Developments include the historic rehabilitation of the Pabst Boiler House located at 1234 North 10th Street, which has won The 2008 Milwaukee Historic Preservation Award, First Place for "Best Renovation Office" in 2009 and BOMA Office Building of the Year Award in 2010 & 2011 and two housing properties Latitude Apartments a 90 unit apartment complex with 7,500 square feet of retail space located at 1857 East Kenilworth Place, and Avante Apartments a 36 unit apartment complex located at 1601 North Jackson Street. With the aim of taking Real Estate Investment to the next level and providing top notch service to its Tenants, DPI owns and manages its properties in order to ensure customer/tenant satisfaction.

Ka+p, led by Scott Kindness, weaves together the principals of creative, efficient problem solving, environmental and fiscal stewardship, and practical application. Our 'Others Thinking' approach ensures that the clients, communities and stakeholders we serve receive thoughtful solutions that are tailored to and wholly appropriate for their goals, objectives, budgets and schedules.

Ka+p has been commissioned for over 1000 high quality, living units for a variety of markets in southeastern Wisconsin totaling more than \$200 million in construction. They are an award winning design firm,

most recently achieving the highest rated residential LEED Neighborhood Development (LEED ND Silver) in the country.

Ka+p has delivered a broad range of unique solutions including comprehensive master plans for neighborhoods, schools, cities, offices, City of Milwaukee, Milwaukee County and the State of Wisconsin; facility assessments; complex phased renovations; new construction; LEED certification; interior remodeling; and streetscape improvements. In total, Ka+p's creative, talented and technically proficient staff has and is involved in projects totaling more than \$585M in construction value.

Matt Burrow is the General Contractor & President of Catalyst Construction. Matt runs one of the leading and fastest growing construction firms in Southeastern Wisconsin and has been recognized extensively as one of the best in the state, having built The Latitude on Kenilworth, Avante on Jackson, Good Harvest Market, Pieper Power, St. John's Marcus Lutheran Expansion, Sentinel Building, Ticket King, WUWM Radio Station, Waukesha Housing Authority, Cambridge Condos, Cornerstone Financial, Lighthouse Development and a host of other commercial, education, government, religious and health care buildings for his clients in the Milwaukee and surrounding area. Catalyst Construction is committed to developing lasting relationships with their clients, delivering high quality services on-time and on-budget

- B. **The Current Status of Property:** The property is 11130 N Buntrock Avenue, parcel number 14-027-02-010.00, located in the Mequon Tax Incremental District #3. It is a one acre parcel, currently owned by KED R&R 2, LLC an LLC owned by Eric Dermond a 43% owner of Dermond Property Investments. Mr. Dermond purchased the property in September, 2008. Dermond Property Investments has held the property since then, with the anticipation of finding the right time for development. The property; land and improvements, is assessed at \$383,800 and taxes for 2014 were \$5,635.
- C. **Uses:** The proposal is for multi-family residential use. The project will target a mixed demographic of both young professionals and empty nesters who have decided to rent rather than own their home. We believe this location in the Town Center district is perfect start for a smaller boutique high quality multi-family residential apartment building. With the development of Mequon Town Center just being completed and the proposed brewery/restaurant to the north of our property, this location will give our tenants many restaurants and services within walking

distance. We also believe that this development will also enhance the success of the Town Center, and also provide a catalyst for future development along Buntrock Avenue and Industrial Drive.

Our intention is to bring new, quality multi-family units that are available in downtown Milwaukee, however, tailored to suburban Mequon and designed in keeping with the Town Center Zoning.

**D. Site Statistics**

1. Gross Land Area: 43,561 SF
2. Land Covered By Principal Buildings: 20,654 SF
3. Number of Dwelling Units Proposed Per Building: 33
4. Unit Mix:

Type of Unit	Quantity	Ave SF	Total SF
3 Bedroom Units with 2 Bath	4	1,809	7,234
2 Bedroom Units with 2 Bath	12	1,423	17,074
1 Bedroom & Den Units with 1 Bath	9	1,051	9,462
1 Bedroom Units with 1 Bath	8	856	6,846
	33	1,231	40,616

Approximately 10,038 square feet for Amenity space and hallways, etc.

5. Floor Area Ratio:
  - a. Site area 43,561sf
  - b. Proposed building area 50,654sf
  - c. The proposed building has an FAR of 116.4%. We are asking for this additional area due to the relatively small size of our site. If we were to construct a building that had the number of units allowed under Section 58-301(7) (i) Density bonuses, this would provide for 32 units. We would be allowed to increase the number of dwelling units by 10% since we are providing all of our required parking within the building, or a total of 35 units. If we assume the minimum size unit of 1,000 square feet, multiplied by 35 units, it totals an area of 35,000 square feet. If we add in the common spaces, amenities and mechanical spaces of 5,000 square feet, then apply an efficiency factor for circulation, this equates to a building that is almost 49,000 square feet – about the same size as what we propose. Even though mathematically achievable, this is not a marketable building for this location and the City of Mequon. Having 35 units at 1,000 square feet each, or even an average of 1,000 square feet would not be appropriate. Our proposal of 33 units at an average size of 1,231 affords the appropriate mix of

units for this location and our target market, and is the most efficient as it relates to construction costs/projected revenue.

6. Parking Spaces provided for the Proposed Building: 63 total inside and 8 guest parking spaces outside.