

# **Main Street Milwaukee**

## **Executive Summary**

**September 29, 2004**

### **Main Street Milwaukee (MSM): The Concept**

The Main Street Milwaukee Program is a collaborative effort between the City of Milwaukee's Department of City Development (DCD) and the Milwaukee Local Initiatives Support Corporation (LISC) to revitalize Milwaukee's older, traditional neighborhood commercial districts. Milwaukee has taken a proven national model and crafted a unique program that will help build sustainable, walkable, thriving commercial districts as anchors to our city's residential neighborhoods.

Throughout 2003, DCD and LISC undertook a comprehensive planning effort to design the Main Street Milwaukee program. DCD and LISC engaged over 100 volunteers in more than thirty public and work-group meetings to research citywide commercial district revitalization efforts throughout the country and to evaluate current services and resources offered in Milwaukee. The Main Street Milwaukee plan draws on the best practices available nationally and is customized for Milwaukee's environment and economic development resources.

### **Main Street Milwaukee key characteristics**

After extensive research and thoughtful analysis, the working group of volunteers, DCD, and LISC created the critical components of the Main Street Milwaukee program:

- ◆ Assemble and target resources to maximize success in district revitalization
- ◆ Designate areas through a competitive application process
- ◆ Establish a public and private partnership that provides designated areas with multi-year funding
- ◆ Build neighborhood capacity and hold districts accountable
- ◆ Require designated areas to follow the Main Street 4-point approach

### **The Main Street 4-Point Approach®**

The Main Street 4-point approach is a community-driven model to commercial district revitalization that is designed to make and sustain incremental and common sense changes in the revitalization and management of traditional commercial districts. Main Street's Four Points are the cornerstone of a district's Main Street work. In order to implement Main Street, each designated district employs a professional, full-time, Main Street manager, creates a broad-based governing body to oversee the operation of the program, and establishes four committees made up of stakeholders volunteering their time to implement projects within the Four Points. The four points of the Main Street model are:

1. **Organization** – establish consensus and cooperation by building partnerships among the various stakeholders in the commercial district
2. **Economic restructuring** – economic development that strengthens existing businesses, fills vacancies, manages the business mix, and develops underused real estate
3. **Design** – visual improvements to buildings, storefronts, signs, public spaces, parking, streetscape, landscape, and merchandising of retail products
4. **Promotion** – marketing to build a district’s identity and brand through special events and business promotions which attract customers and investors

The Main Street 4-point approach yields important and direct results for neighborhoods, which include: improved community cooperation, an improved physical environment, more goods and services available to neighborhood residents, increased employment and entrepreneurial opportunities, as well as an ongoing structure and method to solve problems in the business district.

This systematic, comprehensive approach has led to tangible long-lasting results in more than 1,700 communities throughout the country. For example, within the first three years of their program, Baltimore’s seven designated districts, had the following results:

- ♦ 21,304 volunteer hours
- ♦ 237 façade improvement projects that received \$450,000 in public investment which leveraged \$1.4 million in private investment
- ♦ 170 net new businesses that opened, expanded or relocated
- ♦ 304 net new full-time jobs; 188 net new part-time jobs
- ♦ 92 commercial buildings sold; \$14.5 million in real estate transactions

## **Coordinating Program Overview**

Coordinating Main Street programs - city, state, or regional - form the backbone of the national Main Street movement. While neighborhoods can participate in the Main Street program individually, the challenge can be a daunting one without the support of a coordinating entity that provides resources, a network, advocacy, and encouragement for all the Main Street programs in a city.

The multi-district, citywide Main Street coordinating program, **Main Street Milwaukee**, will be established as a unique partnership between the City’s Department of City Development (DCD) and Milwaukee Local Initiatives Support Corporation (LISC). The program will be managed by DCD with LISC operating as the fiscal agent for monies raised from the private sector. DCD and LISC will carry out program responsibilities as outlined in an annual memorandum of understanding (MOU).

This arrangement will bring the benefit of private-sector funding to a DCD program and it will help the neighborhood-based Main Street programs access a range of city resources and services more efficiently.

### **Primary activities of the coordinating program**

The Main Street Milwaukee coordinating office's primary role is to support and guide the districts in planning and implementing their district Main Street programs. This will be accomplished by providing a package of technical and financial assistance to the competitively selected commercial districts based upon their individual district needs. To provide sufficient technical support to the designated districts, Main Street Milwaukee will plan to hire one citywide Coordinator, employed by DCD, and one Revitalization Specialist, employed by LISC.

### **Governance and staffing at citywide level**

The coordinating program will have a governing and oversight board that represents the various public and private partners and will be called the "Partners Board". The Partners Board will be responsible for the designation of districts to participate in the program, monitoring the performance of the program and individual districts, planning for program sustainability, and providing guidance, oversight and monitoring to DCD's and LISC's performance of duties.

The Partners Board will be made up of 9 members with representation of the following: two members appointed by the President of the common council, three members (one of whom shall be a community leader with community development experience and one of whom shall be a small business owner) appointed by the Mayor, and four representatives appointed by LISC.

### **Number of districts**

Depending upon funding availability, quality of applications, and interest, Main Street Milwaukee will designate up to four Main Street districts in the first year and 1-2 districts in each subsequent year.

### **Funding the citywide program**

The Main Street Milwaukee program will be funded by a collaborative arrangement among public partners (community block grant administration) and private sector partners (banks, foundations, corporations, etc.).

On an annual basis and based upon funding availability, the Common Council will provide Community Development Block Grant (CDBG) funds to DCD for program administration and operating support grants for the designated districts (staff salary/fringe, programmatic overhead, and eligible program expenses).

LISC will be responsible for raising funds to provide the outlined services to the designated areas over the 6-year period. These services include, but are not limited to, trainings, workshops, planning services, architectural services, small business development assistance, consulting services, and limited grants.

To lead districts toward self-sustainability the level of CDBG funding for a designated district and the level of technical assistance and services provided by LISC will decrease over the six-year period of their participation. Designated districts will be required to raise funds to supplement their Main Street programs to cover the costs of the Main Street Manager and the various projects and activities undertaken by the four Main Street committees. The following table illustrates the ideal funding levels for a district over the six-year period.

<b>Sample Funding Support for Designated District.</b>						
	1 <sup>st</sup> year	2 <sup>nd</sup> year	3 <sup>rd</sup> year	4 <sup>th</sup> year	5 <sup>th</sup> year	6 <sup>th</sup> year
CDBG funding	\$70,000	\$70,000	\$50,000	\$50,000	\$40,000	\$40,000
LISC services	\$70,000	\$70,000	\$50,000	\$50,000	\$40,000	\$40,000
<u>Min. District fundraising</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$40,000</u>	<u>\$40,000</u>
<b>Total</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$130,000</b>	<b>\$130,000</b>	<b>\$120,000</b>	<b>\$120,000</b>

## **District Program Overview**

District Main Street programs are locally governed and administered. The comprehensive Main Street Approach provides a framework that is both structured and flexible: working within the Four Points, each local program determines its own priorities of work. To ensure a collaborative, community-driven approach to revitalization, the four Main Street committees established in each district must include a cross-section of representation from both the public and private sectors (i.e., residents, merchants, government, lenders, developers, business organizations, property owners, community leaders and others).

### **Selection of districts**

All neighborhood business districts within Milwaukee’s block grant boundaries are eligible to participate in the Main Street Milwaukee program. The applicant must be a non-profit 501(c)(3) corporation such as a Community Development Corporation, subsidiary of a Business Improvement District, business association, resident association, or any other community-based organization. Applicants must be committed to following the Main Street Four Point Approach, employing a full-time Main Street manager and raising adequate funds to support the program throughout its participation in the Main Street Milwaukee program for six years.

Main Street Milwaukee’s philosophy is to work in-depth with a small number of districts in a concentrated, on-going manner in order to expand local capacity and establish a sustainable revitalization program that can, in the long run, function with less city intervention. The competitive selection process is the first step toward realizing that goal by identifying the most ready, willing and able districts.

Interested neighborhoods **must** attend an application workshop, submit a non-binding letter of intent to apply, submit a completed application, and make a presentation to the Partners Board.

Applications to Main Street Milwaukee will be evaluated and approved by the Partners Board. The Partners Board will base their evaluation on selection criteria in three areas: (1) *district compatibility with the Main Street Program (baseline economic activity and physical cohesion)* (2) *organizational capacity (proven track record of the 501(c)(3) applicant)*, and (3) *an advance commitment among stakeholders to the Main Street Approach (stakeholders willing to participate on the four Main Street committees)*.

**Services provided**

Once designated, a neighborhood will receive a package of technical and financial assistance over the 6 years of participation in the program. The services will be based on the needs identified during the program design phase. Participant organizations will receive:

- ◆ **Technical assistance** in the form of trainings, workshops, architectural and engineering services, district and program planning services, urban planning services, technical assistance to small business owners, and district-specific consultants. This package of services is designed to give neighborhoods the skills, processes and information needed to effectively manage their commercial areas over the long term. Through this technical assistance, staff and volunteers will learn the tools for successful commercial district revitalization, develop concrete annual work plans with specific goals, and have access to an array of specialized consulting services.
- ◆ **Financial assistance** in the form of operating support for the employment of a full-time Main Street manager, promotional funds to assist in the marketing of the district, professional development funds, and a historic preservation grant to emphasize the importance of preservation. Grants are contingent upon satisfactory performance of the local Main Street organization.
- ◆ **Citywide promotional effort** by the staff of the Main Street Milwaukee program to market all Main Street districts on a citywide basis and encourage residents and tourists throughout Metropolitan Milwaukee to visit Milwaukee’s “main streets.”

**Local program budget**

The following chart illustrates the estimated sources and uses of funds in the first year of the Main Street program for an individual district. Actual uses of funds may vary by neighborhood according to priorities and resources.

Uses		Sources	
Director salary (minimum)	\$35,000	CDBG Grant	\$70,000
Benefits	12,000	Private sources	10,000
Rent/utilities	9,000		
Overhead/Administrative	8,000		

Promotion/marketing materials	4,000		
Professional development	2,000		
Project implementation fund	10,000		
<b>Total Expenses</b>	<b>\$80,000</b>	<b>Total Revenue</b>	<b>\$80,000</b>

**Expectations and Accountability: reporting and evaluation of districts**

Once selected, districts will have a Main Street Milwaukee designation for at least six years. To retain this designation, districts will be required to develop annual work plans with concrete goals. Each district will be evaluated to determine progress in achieving their annual work plan goals, project completion, efficient program administration, broad community involvement, and other key benchmarks.

Each Main Street district must also meet the following requirements:

- ◆ Adopt the Main Street Four Point Approach to commercial district revitalization and work comprehensively and simultaneously in the four points;
- ◆ Establish a broad-based governing body and the four Main Street committees;
- ◆ Employ a full-time manager, who will work solely on the Main Street district program;
- ◆ Fund a portion of the Main Street program’s operating expenses and program costs with the expectation of being self-sufficient by the end of the sixth year after designation;
- ◆ Develop and follow established annual work plans for the four committees;
- ◆ Enter into an annual contract with Main Street Milwaukee that outlines mutual expectations for the program; and
- ◆ Submit monthly progress reports that will include private and public investment, job creation, business recruitment, volunteer involvement, building rehabilitation, rental rates, retail sales, commercial real estate sales, vacancy rates, marketing activities, business assistance, design assistance, and public improvement projects.