GROWING PROSPERITY | WORK PLAN

STRATEGY 6.1

Define clear pathways to business creation and expansion

ACTION ITEM

6.1.2: Reuse vacant City-owned commercial properties to foster start-ups in central city neighborhoods.

PRIORITY

Medium-term, high priority

PARTNERS

LEAD:
- City of Milwaukee Dept. of City Development

PARTNERS:
- Commercial Association of Realtors - Wisconsin
- Business Improvement Districts
- Entrepreneurial support organizations
- Private developers
- Financial institutions, including non-profit loan funds such as Legacy Redevelopment Corp. or Illinois Facilities Fund

RESOURCES REQUIRED

- City-owned, tax-foreclosed commercial property
- Sources of financing to renovate foreclosed property
- Pipeline of entrepreneurs seeking low-cost space
- Technical assistance to support start-up businesses
- Staff assistance from Dept. of City Development real estate and commercial corridor teams

REASON FOR ACTION

As a result of property tax foreclosure, the City owns more than 120 commercial buildings, many in neighborhoods that lack sufficient commercial services. Creation of a partnership among the City of Milwaukee, technical assistance providers, lenders and Business Improvement Districts to offer low-cost space, along with business financing and mentoring to promising entrepreneurs, could result in the re-purposing of these properties to support business development.

IMPLEMENTATION STEPS

1. Include in the 2015 City budget a fund to incentivize the purchase, renovation and occupancy of tax-foreclosed commercial properties.
2. Create a program design for the incentive fund.
3. Identify for-profit and non-profit lenders willing to finance building renovation costs over and above the incentive fund grant amount.
4. With the assistance of Business Improvement Districts, select a limited number of buildings that will be marketed with grant assistance.
5. With the assistance of Business Improvement Districts and entrepreneurial support organizations, market these buildings for sale to new business operators.
6. With the assistance of Business Improvement Districts and entrepreneurial support organizations, develop a package of technical assistance services that will be made available to the businesses that will locate in buildings assisted with incentive fund grants.

DESIRED OUTCOME

1. Increase the demand for City-owned foreclosed commercial properties.
2. Increase the number of neighborhood-serving businesses in commercial corridors located in neighborhoods that have been severely impacted by foreclosure.
3. Reduce the number of vacant commercial properties in central city neighborhoods.