

# Community Revitalization Ownership Project

Milwaukee's Equitable Economic  
Development Fellowship Project  
2016-2017

# Tax-foreclosed properties

- City assumes ownership when taxes aren't paid
  - City-owned properties: 1100
  - 10-15% are commercial properties
- Inventory: Mixed use, retail, restaurants, churches, taverns, day care centers, and more!



# Foreclosed property = blight

- Vacant
- Poor condition
- Negative impact beyond property lines
  - Targets for vandalism and criminal activity
  - Threaten value and image of nearby property
  - Highly visible symbol of distress



# Foreclosed property = opportunity

- Low-cost commercial space
  - Of 25 properties listed for sale today, 19 < \$50,000
- Located in underserved markets
- Timely opportunities
  - Neighborhoods adjacent to downtown development
  - Emerging new uses (eg, maker spaces)
  - Growing interest in and support for entrepreneurship



## Commercial Property Listing 5424-30 West Lisbon Avenue Uptown Neighborhood



**LISTING PRICE: \$10,000**

**Building:** 4,200 SF building constructed in 1929

**Lot Area:** 4,800 SF

**Zoning:** LB2 Local Business

Assessor records, photographs and environmental data on website at [www.city.milwaukee.gov/CRE](http://www.city.milwaukee.gov/CRE)

### BUYER DEVELOPMENT OBLIGATIONS

- Restore building and open up the façade with new windows and clear glazing.
- Finish all renovations in a timely manner.

### PERMITTED COMMERCIAL USES

- Retail, office, service related business, recording/art studio, workout/fitness studio, maintenance/repair service, etc.

**Note:** Property must be taxable and some uses may need BOZA approval  
Proposals will not be accepted for the following uses: Parking lot, pawn shop, cigarette or cigar shop, gun shop, liquor store, payday or auto-title loan store, medical service facility or other uses prohibited by zoning.

### AVAILABLE RESOURCES

- **Facade Grants:** [www.city.milwaukee.gov/facade](http://www.city.milwaukee.gov/facade)
- **Retail Investment Fund:** [www.city.milwaukee.gov/rif](http://www.city.milwaukee.gov/rif)
- **White Box Program:** [www.milwaukee.gov/whitebox](http://www.milwaukee.gov/whitebox)
- **Commercial Foreclosed Property Renovation Fund:** Natanael Martinez at (414)286-5813 or [Natanael.Martinez@milwaukee.gov](mailto:Natanael.Martinez@milwaukee.gov)
- **Focus on Energy Promotions** [www.energystar.gov/rebate-finder](http://www.energystar.gov/rebate-finder)
- **Business Financing:** may be available through Milwaukee Economic Development Corp: [www.MEDCOnline.com](http://www.MEDCOnline.com)



# Buyers: generally businesses ready to own real estate



But not every business is ready to own a building.

Those businesses need space, too. And they would add vitality to distressed neighborhoods.

# Community Revitalization Ownership Project (CROP)

Cultivate community ownership of central city neighborhoods by positioning the City's inventory of foreclosed commercial properties to maximize opportunity for start-up developers and entrepreneur tenants.





# Community Revitalization Ownership Project

- Goals
  - Increase sales and redevelopment of commercial buildings
  - Provide opportunities for minority and immigrant developers to obtain development experience
  - Attract entrepreneurs to occupy City property
  - Return jobs and business to distressed commercial districts
- Strategies
  - Create model for ownership, renovation and management of small foreclosed commercial buildings
  - Create partnerships to:
    - Develop pipeline of entrepreneur tenants
    - Identify financing for building renovation and business development
    - Identify TA resources to support entrepreneurs

# Available assets

- City stock of foreclosed commercial buildings
- City commercial corridor grant programs
- Local entrepreneurship support organizations
  - WWBIC, BizStarts, Recipe-to-Retail, etc.
- ACRE (Associates in Commercial Real Estate Development): training program and alumni
- CDFI and conventional lenders
- Expertise of NLC, ULI, PolicyLink
- Expertise of other EED cities

# City's toolbox

For property owner:

- Commercial corridor matching grant programs
  - Façade, signs, whitebox renovation
  - Foreclosed commercial property fund
- Environmental site assessment grants

For business owner:

- Business loans
  - Milwaukee Economic Development Corp. loans
  - Retail Investment Fund grants for job-creating uses

# EED Fellowship Advisory Team Meeting

- ACRE Team:
  - Curriculum integration
  - Alumni Network
- Finance Team:
  - Create financing model for developers and entrepreneurs (PRI's, EQ2's, NMTC, CDFI, SBA, City grants, etc.)
- Entrepreneurial Pipeline Team:
  - Alignment with local sources, i.e WWBIC, Chambers SBDC, etc.
- Site Selection Team:
- Executive Committee:
  - Responsible for coordinating with Mayor, marketing, coordination among work teams, community outreach, and documentation.
- Other Ideas:
  - Investigate co-ops as an ownership strategy
  - Branding/marketing strategy critical to success

# Questions