

# Commercial corridor revitalization

Zoning, Neighborhoods and  
Development Committee

May 6, 2014

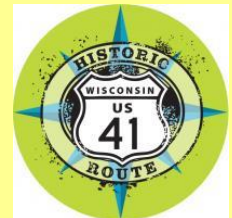
# Issues addressed today

- DCD's role in promoting the revitalization of neighborhood commercial districts
- Updates on sale of tax-foreclosed commercial properties



# Revitalization – DCD's role

- Connect businesses to City resources
  - Façade grant
  - Retail Investment Fund
  - Whitebox renovation grant
  - Targeted business funds
- Provide support to BID partners
- Identify opportunities for catalytic projects
- Special projects



# Assisting individual businesses

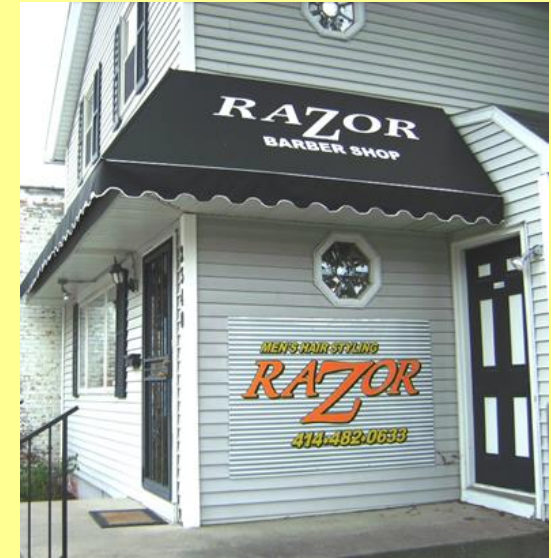
- Façade grant

2011-2013: 158 grants

- City investment:  
\$1,355,347
- Private investment:  
\$4,946,560

2014 YTD: 8 grants

- City investment: \$72,000
- Private investment:  
\$143,271





# Assisting individual businesses

- Retail Investment Fund

2012-2014: 6 grants

Total granted: \$439,520

Jobs created: 97

- White box grant

- Renovate outdated space to attract tenants

- Pilot project downtown; expanded citywide in late 2013

2014 YTD: 1 grant

\$25,000



# Assisting individual businesses

## Targeted resources

- TID-supported business development funds
  - Bronzeville
  - Midtown
  - Mitchell Street
- Avalon Theater redevelopment



# Marketing City businesses assistance

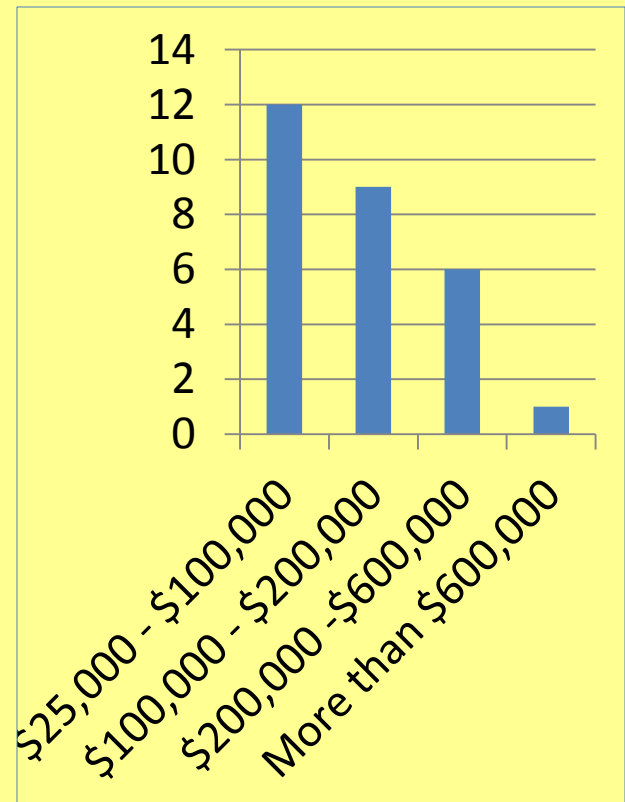
- City web site
- Aldermanic business luncheon
- MKE Business Now seminars
- Commercial resource workshops
- BID partners
- Citywide BID Council



# Business Improvement Districts

- 32 active BIDs
- Size
  - From one property to hundreds
- Staffing
  - From 0 to 7 employees
- Structure
  - Stand-alone
  - Affiliated with Community Development Corp. or Economic Development Corp.

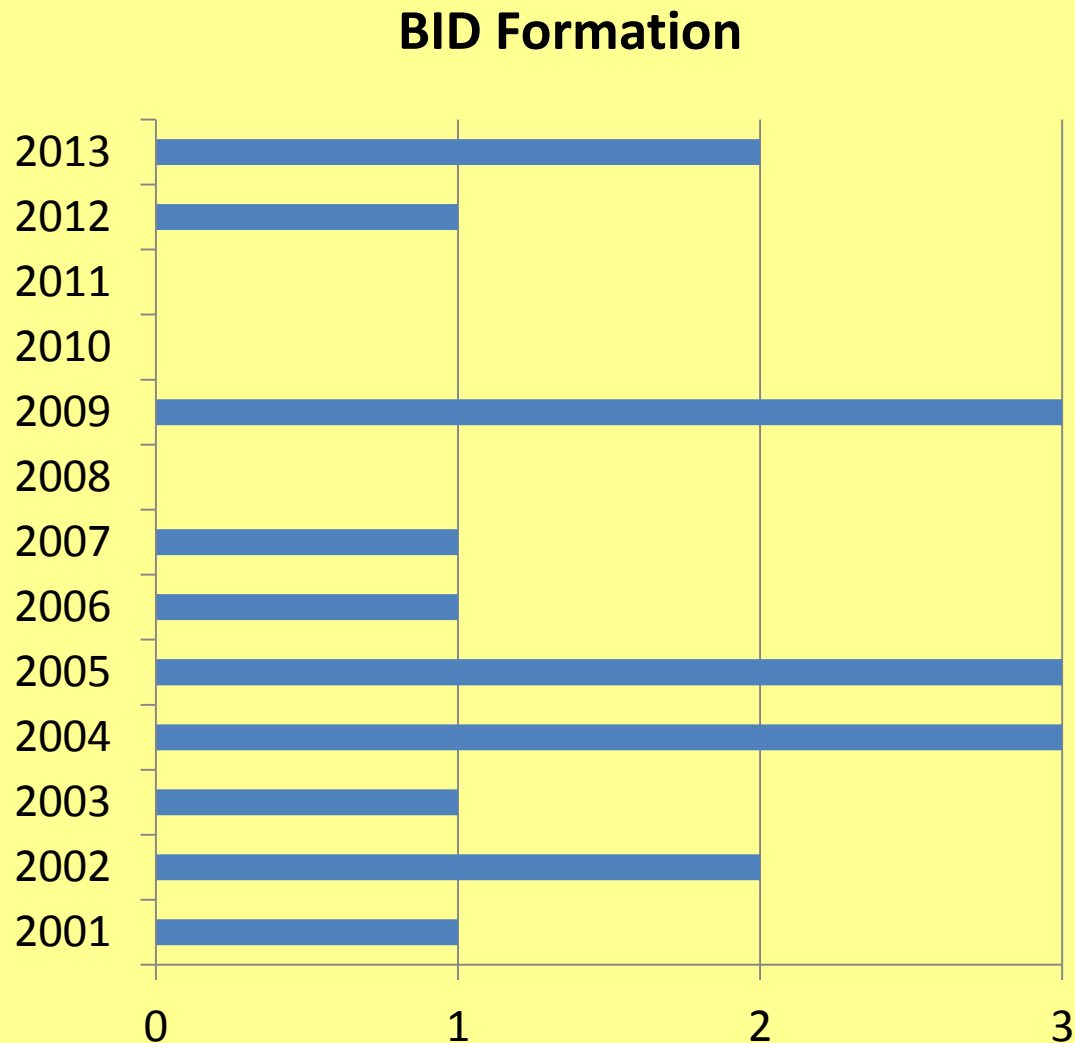
- Special charges collected
  - Range: \$25,000 to \$3.1 million





# DCD support for BIDs

- BID formation
- Annual re-authorization
- Property special charges
- Technical assistance
- Trouble-shooting
- Special initiatives
- Streetscape projects
- Citywide BID Council



# Streetscape partnership with BIDs

Costs shared between City and BIDs

Streetscape improvements

- Paving/crosswalk treatment
- Median plantings
- Street furniture, lighting, signs

Since 2008:

- 15 projects
- \$1.9 million grant funds to BIDs
- \$875,000 lent to BIDs

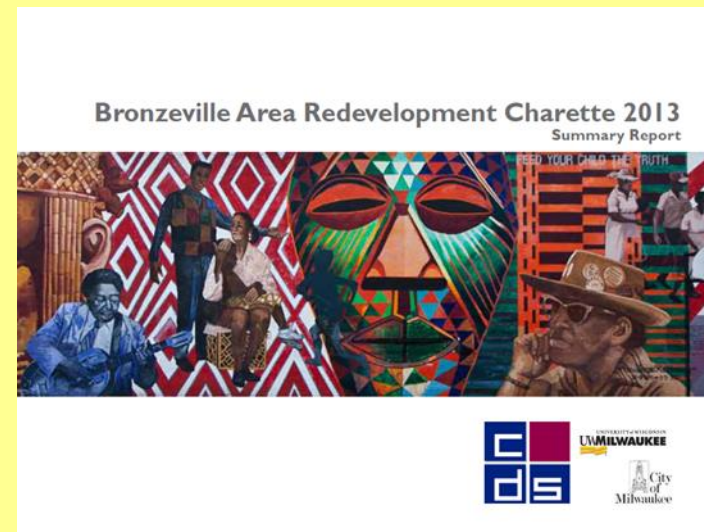
Current projects

- Kinnickinnic, Downer, Riverworks
- Likely: W. Wisconsin Ave.



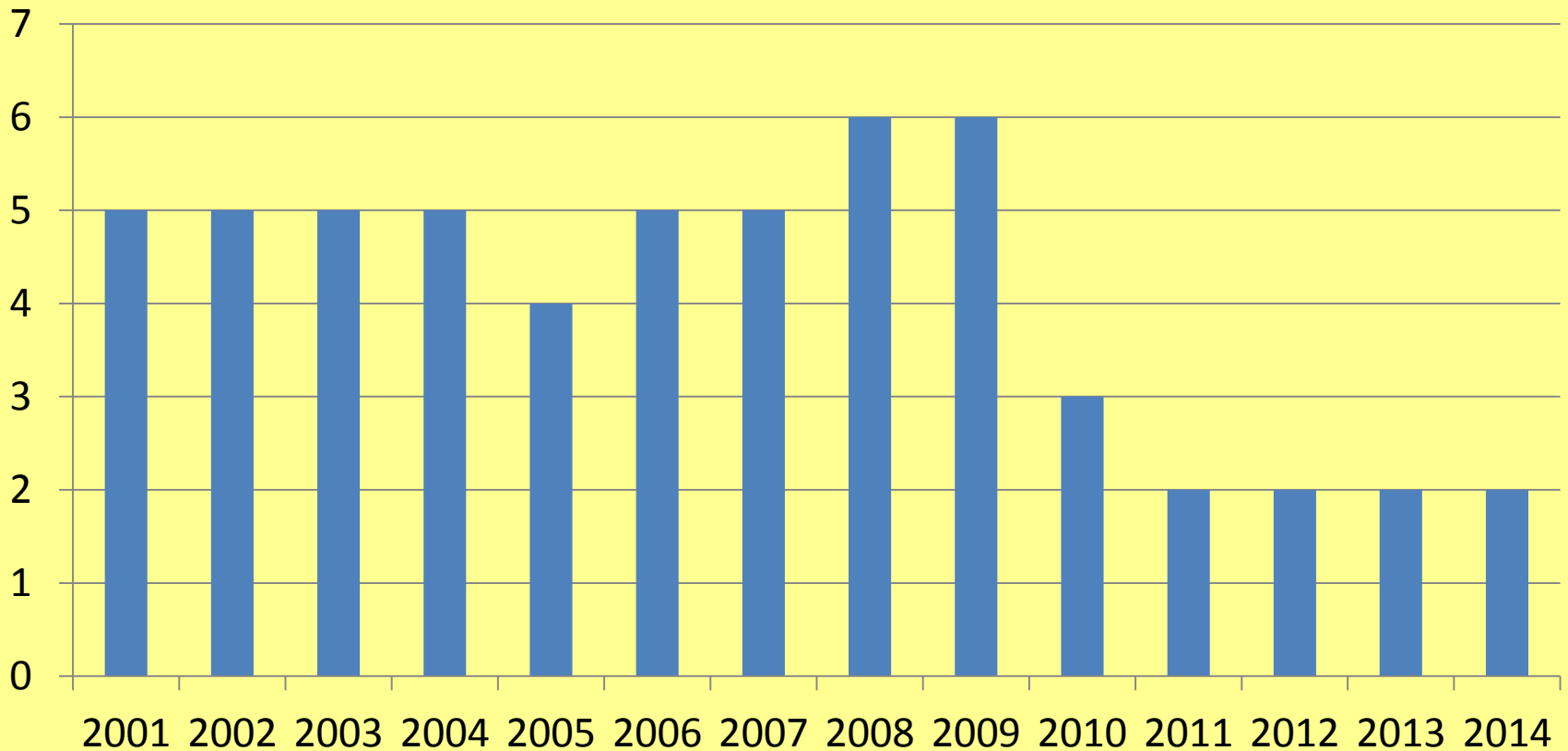
# New tools since 2008

- White box renovation grants
- Neighborhood Ambassador Program
- Targeted business development funds
  - Mitchell Street
  - Midtown
- TID 76 (retail at 27<sup>th</sup>/Howard)
- Cross-jurisdictional BID model
- Online façade grant application
- Commercial corridor charettes



# Commercial corridor staffing

## Fulltime staff





# Consequences of staff reduction

- Less engagement with customers and partners
  - Fewer businesses take advantage of resources
  - Less feedback from customers on program design
- Customer service compromised
- Missed opportunities for catalytic projects



# What's ahead?

- New ideas
  - Rob Walsh visit
  - Joel Bookman visit
  - BID director survey
  - Economic development action agenda
- Staffing adjustments
  - Under consideration
    - Transfer administrative duties
    - Strengthen partnerships
    - Evaluate need for additional staff

# Commercial property sale update

- Negotiations underway with 12 prospective buyers
- 17 properties being readied for listing
- New commercial offer to purchase form
- 43 buildings recommended for demo
- 2015 budget: Seek capital funds to incentivize rehab and sale of properties

	<b>Commercial/Residential Opportunity</b> <b>1848 West Fond du Lac Avenue</b> <b>Fond du Lac &amp; North Plan Area</b>	 <b>NORTH AVENUE FOND DU LAC</b> <small>MARKETPLACE BID 32</small> <small>Advancing Economic and Environmental Innovations</small>
	<b>\$45,000 Asking Price</b> Building: 3,432 SF mixed-use, masonry building, built 1893 1,872 SF ground floor -former tavern & restaurant Two second-story apartments. 2 BR/1 BA with 975 SF and 1 BR/1 BA with 585 SF; Assessor records on website Three bay garage at the alley. Lot Area: 3,600 SF Zoning: LB2, Local Business Environmental: Historical Land Use Investigation on website <b>BUYER DEVELOPMENT OBLIGATIONS</b> <ul style="list-style-type: none"> <li>• Restore commercial storefront to the original design (Restoration standards on website)</li> <li>• Rehabilitate residential units</li> <li>• Complete rehabilitation in a timely manner</li> </ul>	
	<b>PREFERRED COMMERCIAL USES</b> <ul style="list-style-type: none"> <li>• Sit down restaurant or cafe</li> <li>• Retail store, general or business office</li> </ul> <b>Note:</b> Property must be taxable; Some uses may need BOZA approval <b>Prohibited uses:</b> Tavern/liquor store, social service, religious assembly, pawn shop, convenience store, cigarette or cigar shop, gun shop, payday or auto-title loan store <b>POTENTIAL RESOURCES</b> <ul style="list-style-type: none"> <li>• BID No. 32: Information @ <a href="http://www.marketplacebizdev.org/">http://www.marketplacebizdev.org/</a></li> <li>• Façade Grants. Information @ <a href="http://city.milwaukee.gov/facade">city.milwaukee.gov/facade</a></li> <li>• Rent Rehabilitation Program for the apartments; see <a href="http://city.milwaukee.gov/NeighborhoodImprovement/Rental-Rehabilitation-Loan-Pro.htm">city.milwaukee.gov/NeighborhoodImprovement/Rental-Rehabilitation-Loan-Pro.htm</a></li> <li>• Retail Investment Fund <a href="http://city.milwaukee.gov/rif">http://city.milwaukee.gov/rif</a></li> </ul> Business assistance may be available through Milwaukee Economic Development Corporation <a href="http://www.medconline.com/">http://www.medconline.com/</a>	
<b>CITY SALE CONDITIONS</b> <ul style="list-style-type: none"> <li>• Submittals will be evaluated based on offer price, prospective use and proposed renovations</li> <li>• Start-up businesses will be required to submit a business plan</li> <li>• Acceptance contingent on Common Council approval</li> <li>• Buyer must complete all renovations within 12-months following closing</li> <li>• Buyer to execute a Purchase &amp; Sale Agreement and submit earnest money after Council approval; sample on website</li> <li>• Deed will contain restrictive covenants for performance obligation, prohibitions for tax exemption and liquor license and reversion of title provision for non compliance. A Performance Deposit will also be required</li> <li>• Conveyance will be "as is, where is" by quit claim deed subject to restrictive covenants</li> <li>• Buyers must not violate City Buyer Policies (see website)</li> </ul> Showings: Showings must be conducted through Wisconsin licensed real estate brokers. Contact 414-286-5730 for access. Submittal: "Proposal Summary" (on website) submitted through licensed broker with offer price, buyer and broker information, intended use, renovation description/scope of work, budget & financing strategy Due Date: Proposals may be submitted any time and will be considered on a first-come, first-served basis.		

# Finney Library marketing

- Initial RFP: 2004 (asking price \$290,000)
  - Council approved sale to New Covenant Housing
  - Sale did not close after option extensions
- Second RFP: 2007 (asking price \$290,000)
  - 3 proposals received and rejected
- Third RFP: 2008 (asking price \$290,000)
  - 5 proposals received; 2 rejected
  - 2 did not submit required information
  - 1 could not obtain financing



# Finney Library marketing

- Fourth RFP: 2009 (Asking price: \$125,000)
  - 2 proposals received
  - Council approved sale to Pathways to College
  - Fundraising efforts failed; sale did not close
- Open listing: August 2013
  - 3 proposals received
  - Currently seeking additional information from one prospective buyer

# In rem process

- Drive-by inspections after acquisition
- Team inspections (interior and exterior)
- Disposition
  - If demolition is warranted, seek aldermanic approval and refer to DNS
  - If marketing is warranted, price and list for sale
- Proposal and buyer screening
  - Property use
  - Financing for purchase and renovation
  - Buyer performance on other Milwaukee properties
- Periodic monitoring
- Price reductions if listing does not attract offers

