



Community Development Authority
Thursday October 27, 2016 4:00 p.m.
Meeting Agenda

Village Hall Second Floor Committee Room
3930 N. Murray Avenue, Shorewood, WI 53211

1. Call to order.
2. Further Discussion by Village Finance Director on procedures to transfer funds from Tax Increment District #1 to CDA and consideration of Memorandum of Understanding between the CDA and Village of Shorewood.
3. Consideration on business loan program.
4. Consideration on façade grant program.
5. Adjournment.

DATED at Shorewood, Wisconsin, this 21st day of October, 2016.

VILLAGE OF SHOREWOOD
Tanya O' Malley, Village Clerk WCPC

Should you have any questions or comments regarding any items on this agenda, please contact the Village Manager's Office at 847-2700. It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above stated meeting to gather information; no action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to above in this notice. Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
VILLAGE OF SHOREWOOD
AND
THE COMMUNITY DEVELOPMENT AUTHORITY OF THE VILLAGE OF SHOREWOOD**

This Memorandum of Understanding ("MOU") is made effective the 7th day of November, 2016 by and between the Village of Shorewood (the "Village") and the Community Development Authority of the Village of Shorewood (the "CDA"). Referenced together the Village and the CDA are the "Parties" to this agreement.

RECITALS

WHEREAS, at the February 17, 2016 Village Board meeting, the Village has approved the transfers (grants) of \$838,500 from TID #1 to the CDA; and

WHEREAS, This MOU will pertain only to the Village's relationship with the CDA as related to the funds transferred to the CDA. Any other CDA activities outside of the scope and purpose of these fund transfers, including any items related to TID's 3, 4, or 5 not previously approved by the Village Board, will continue to be presented to the Village Board for approval through recommendations from the CDA.

WHEREAS, these transfers were conditional upon review of an updated TID #1 pro forma using the 2016 assessment data that confirms that the TID #1 will still have the capacity to close in 2021 if these transfers were to occur; and

WHEREAS, Ehlers has updated the TID pro forma using 2016 data on analysis date 9/7/16 which confirms that TID #1 will still have the capacity to close in 2021 with these transfers. These pro forma are attached as exhibit 1; and

WHEREAS, the presentation of these pro forma to the Village Board with this MOU satisfies the conditional requirements of the February 17, 2016 motion approving these grant transfers, and

WHEREAS, these transfers were authorized, **and must be maintained by the CDA**, for the following conditional purposes: \$330,000 for future Façade Program expenditures in accordance with the CDA's Façade Program guidelines as approved by the Village Board. ~~which is attached as exhibit 2.~~ \$200,000 to fund the establishment of a perpetual business district-wide Business Loan Program in accordance with the CDA's Business Loan Program as approved by the Village Board. ~~which is attached as exhibit 3.~~ \$308,500 to support other future recurring CDA overall economic development strategies not specifically related to any other TID as identified on page B-5 of the CDA's 2015 Annual Financial Report and fiscal plan dated February 10, 2016 and accepted by the Village Board on February 17, 2016. A copy of page B-5 of this report is attached as exhibit 2 ~~4~~, and

WHEREAS, consistent with the CDA establishing a perpetual business district-wide Business Loan Program, as identified on page H-2.2 of the CDA's 2015 Annual Financial Report and fiscal plan dated February 10, 2016 and accepted by the Village Board on February 17, 2016, the Village will be transferring to the CDA all remaining receivable balances relating to any existing business incentive loans that had previously been issued under this program. A copy of page H-2.2 of this report is attached as exhibit 3 ~~5~~,

WHEREAS, the CDA was established on August 2, 1993 by the Village as a separate body politic to carry out their mission as authorized, and in accordance with Wisconsin Statutes, and

WHEREAS, with the transfer of these funds from the Village to the CDA to support future CDA activities, there are a number of administrative issues will need to be delineated through this MOU to ensure that the relationship between the Parties is adequately defined.

NOW THEREFORE, the Parties do herewith, in consideration of mutual promises and other good and valuable considerations, and upon joint adoption hereby agree as follows:

- 1) **Incorporation by reference**. All of the "whereas" clauses and referenced exhibits contained in the Recitals are incorporated herein by reference and made part of this agreement.
- 2) **Fiscal Agent**. The Parties agree that the Village will act as the fiscal agent for the CDA and the Village will establish a separate special revenue fund within the Village's chart of accounts in order to record the transactions of the CDA. All CDA funds will be held in the Village's general checking account and will be readily available to support CDA activities.
- 3) **Internal Controls**. With the Village acting as the fiscal agent of the CDA, the CDA agrees that the Village will establish, and the CDA will adhere to, the appropriate internal controls and processes that will be necessary to process transactions and generate accurate financial reporting information consistent with the application of the Generally Accepted Accounting Principles as promulgated by the Governmental Accounting Standards Board. The Village's role as fiscal agent shall be limited to these matters. All CDA contracts for services of \$5,000 or more must be in writing and approved by the CDA in order to satisfy Village's internal control requirements.
- 4) **Cost Allocations**. The CDA will specify in any contract for general business district-wide services the percentage of the benefits for these services that will be attributable to any existing TID's and to the CDA for the purpose of allocating contract costs. ~~The Village deems that 10% for each open TID and the remainder to the CDA is an acceptable allocation for business district wide CDA activities.~~
- 5) **Oversight**. The CDA shall have the overall responsibility of managing any CDA funded program. The CDA shall also have the responsibility of developing and approving its own budget, managing all issues of budgetary compliance, as well as supervising and approving any bidding, purchasing, or contracting for any other services for CDA activities not explicitly provided for in this agreement. In addition the CDA shall establish written processes for approval of any disbursements of CDA funds.
- 6) **Audit**. The CDA, as a component unit of the Village of Shorewood, will also be responsible for conducting an annual financial audit as appropriate for governmental financial reporting, as well as any federal or state reporting that may be required by law. The Village agrees to facilitate the CDA's audit as part of the Village's annual audit engagement and support any required federal or state reporting requirements in a manner consistent with that of the Village.
- 7) **Liability**. The Parties agree that the Village will name the CDA as an additionally insured party on the Village's general liability insurance policy.

- 8) **Loan Balance Transfers.** The Village agrees to attend to any loan document modifications or other due diligence that may be required to relating to the transfers of the existing Business Improvement loans and balances from receivables of the Village, to receivables of the CDA.
- 9) **Compensation.** As compensation to the Village for the staff time used to assist the CDA in matters relating to the ongoing implementation of the Façade Grant Program and Business Improvement Loan Program as these plans are currently drafted, as well as for the agreed upon fiscal agent and other staff services identified in this agreement, the village will bill the CDA an annual flat fee of \$7,700 which is consistent with the anticipated Village costs previously identified in exhibit 2 ~~4~~. Additionally, as compensation to the Village for the extended professional audit services for the CDA annual audit, the CDA agrees to reimburse the Village the incremental cost of those services.
- 10) **Miscellaneous.**
 - a) Any modifications of this MOU must be in writing and approved by all Parties.
 - b) Any modifications to the Façade Grant Program or Business Improvement Loan Program must be approved by the Village Board.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have caused the execution of the Memorandum of Understanding by authority of their respective bodies effective as of the date first above written once the parties have affixed their respective signatures.

VILLAGE OF SHOREWOOD

by _____ Date _____
 Guy Johnson, Village President

by _____ Date _____
 Tanya O'Malley, Village Clerk / Treasurer

**COMMUNITY DEVELOPMENT AUTHORITY
 OF THE VILLAGE OF SHOREWOOD**

by _____ Date _____
 Peter Hammond, CDA Chair

by _____ Date _____
 Tanya O'Malley, Village Clerk / Treasurer



Community Development Authority

BUSINESS LOAN PROGRAM

October 6, 2016

PROGRAM HIGHLIGHTS

Purpose of the Program

The Business Loan Program (the “Program”) has been established by the Community Development Authority (“CDA”) and Village Board to assist businesses and property owners finance business expansion and startup projects, consistent with the economic development goals of the Village.

The Program is expected to be an important component of the Village of Shorewood’s economic development toolbox, which includes the façade grant program and redevelopment project incentives.

The benefits to participating Program businesses might include providing “first dollars” required by other lending organizations, lower than market interest rates, and potential to lower debt service payments during the startup period of a new venture.

The Shorewood Business Improvement District (“BID”) will provide guidance to businesses interested in borrowing funds from the Program. SEWRPC will assist the CDA with the review and underwriting of loans.

Economic Development Goals

The economic development goals of the Program are comprised of property tax base enhancement, small business recruitment and retention, elimination of blight, increased first floor retail activity, and job creation.

Loan Parameters

Loan amounts from this program will range between \$10,000 - \$45,000. The CDA will periodically review the maximum loan limit to determine if it should be adjusted solely as a result of increases in the Consumer Price Index (CPI). Any changes to the maximum loan limit will be approved by the CDA and Village Board.

All loans must be approved by the CDA. Funds for the program are limited and will be allocated on a first come, first serve basis, as outlined in the Loan Management and Administration Document.

A minimum of one dollar of private sector investment related to approved expenditures will be required for each dollar of CDA investment. It is expected that a bank or other private financial institution will be financing a portion of the private sector match.

Sufficient collateral, including personal guarantees from the principals of the business with twenty (20) percent or more ownership, will be required.

Interest charged to the borrower will be:

The interest rate charged will be calculated as US Prime + 1% with a cap of 4.5%. Depending on the prime rate at the time of a loan application, the CDA can adjust the rate down to accommodate an applicant’s particular situation.

Interest cost to the borrower from Program loans is expected to be lower than for loans from banks or other financial institutions.

Payment of principal may be deferred for up to twelve months if required for the success of the undertaking. Need for such deferral must be demonstrated.

Criteria for Granting

Criteria for granting or for limiting the amount of a requested loan include the following:

- o **Eligibility** – the project must contribute proportionately to the achievement of Shorewood's economic development goals. Priority will be given to first floor retail uses, specifically retail and restaurant uses, within the business corridor and first floor office uses that create daytime employment. Secondary priority will be given to other uses and upper floor uses within the business district. (See Attachment B for a list of preferred and non-preferred uses and Attachment C for the map of the business district).
- o **Need** - the applicant must demonstrate that Program financing is necessary to make the project feasible and that alternate sources of funding needed to finance the project are not available on reasonable terms.
- o **Availability of Funds** – a balance of sufficient funding authority (unloaned funds) should be available within the CDA program funding schedule parameters.

Because of the scarcity of funds, the Program will be administered in a way that maximizes first floor street frontage activity within the business district. The loans supported by this Program are not intended to be an entitlement.

Application Process

Review the application and then call the BID Director or the Village Planning and Development Director to discuss before filling it out. Once a meeting has occurred, fill out application and submit it to BID Director, c/o Village of Shorewood, 3930 N. Murray Avenue, Shorewood, Wisconsin 53211. See the Program Details section of this document for detailed application procedures and requirements.

VILLAGE OF SHOREWOOD BUSINESS LOAN PROGRAM

PROGRAM DETAILS

Introduction

The Business Incentive Loan Program (the “Program”) was established by the Community Development Authority (“CDA”) and Village Board in 2007 to assist businesses and property owners finance business expansion and startups, consistent with the economic development goals of the Village.

Through the Program, qualified businesses and property owners are eligible for low-interest loans to finance qualifying business expansion and start-ups. Loan funds that are repaid to the CDA will be used to assist other businesses within the loan program. The purpose of this manual is to set forth the criteria for the financing that is available from the Program.

Purpose

The objective of the Business Incentive Loan Program is prioritized to create first floor retail and restaurant uses within the business district, increase the Village of Shorewood’s tax base through the retention and expansion of existing businesses, and assist with the development of new businesses within the Village. The Program is also intended to provide assistance to business owners who wish to purchase commercial property within the Village. Small and medium sized businesses often lack the necessary capital to develop or expand their operations, and, as such, this lack of capital has a significant impact on the local tax base.

The Program includes funding mechanisms and interest rates that are designed to encourage business development, while providing for the recapitalization and growth of the Program over time.

Eligible Applicants

Eligible applicants for the Business Loan Program are business owners located in the Village or those that will locate in the Village as a result of loan funds. These applicants must demonstrate that they are unable to access total financing necessary for the business or real estate project through conventional sources.

Administration

The assets in the Program shall be the property of the Village of Shorewood CDA and funding decisions relative to individual loan applications shall be made by the CDA. Substantial changes to the loan program (ex: changes to the minimum or maximum amounts and changes to preferred and non-preferred uses) must be adopted by both the CDA and Village Board.

Applications for program funding can be obtained from the Village of Shorewood website and/or the Shorewood Business Improvement District (“BID”) website. The Southeastern Wisconsin Regional Planning Commission (“SEWRPC”) or other designated agent approved by the CDA, will review all loan applications and provide loan underwriting assistance to the CDA. Village staff shall be responsible for administration of the program loan disbursements and collections after approval.

Application Procedures

Once the application has been downloaded from the Village website, businesses should contact Village Planning and Development Director or the BID Director, c/o Village of Shorewood, 3930 N. Murray Avenue, Shorewood, Wisconsin 53211 to set up a meeting. A copy of the loan application and a list of the supporting documentation needed for each application are included as Attachment A to this manual. Following the submittal of the application, the BID Director will examine the application and supporting documentation for completeness and make a determination within 10 working days on whether or not the proposed project conforms to the standards and policies as set forth in this manual.

Once Village staff has completed its review of the application, the applicant business will be informed of any deficiencies, and requested to amend the application, if necessary. Upon final submission of a completed application, the application **and all supporting documentation** will be forwarded to the underwriter for review and recommendation to the CDA for consideration.

Standards and Policies

The following standards and policies will be utilized in administering the Business Loan Program:

1. Funding Limits: The amount of funding available for each applicant is from \$10,000 - \$45,000. **The CDA will periodically review the maximum loan limit to determine if it should be adjusted solely as a result of increases in the Consumer Price Index (CPI). Any changes to the maximum loan limit will be approved by the CDA and Village Board.**
2. Type of Financing Available: All monies will be provided in a manner that enhances the viability of the proposed project. The CDA, at its discretion, may waive the requirement for providing loans on an installment basis.
3. Project Initiation: Any Business Loan Program and matching monies may not be spent prior to the approval of the loan by the CDA. However, under special circumstances, an applicant may request to spend matching private dollars limited to 10% of the final approved loan amount while opening/moving their business within Shorewood and before CDA has approved the formal loan. This 10% private expenses could then still qualify as project expenses under then Program once the loan is approved.
4. Private Sector Leverage Ratio: A minimum of one dollar of private sector investment towards approved expenditures will be required for each dollar of CDA investment. Private

sector investment is defined as financing from a private lending institution and/or cash equity that is contributed to the project by the applicant. Applicants will be required to utilize a private financial institution to finance all or a portion of the private sector match, unless waived by the CDA. In addition, all private sector dollars must be obtained from a non-public source and no public funds of any type may be counted towards leveraged private investment.

5. Community Benefits: To be eligible for funding, applicants must demonstrate the following: tax base enhancement, first floor retail and/or restaurant use within the business district, and/or job growth. In particular, Business Loan Program monies contributed to a project must not exceed 30 percent of the existing fair market value of the property as reported by the Village Assessor or an appraiser acceptable to the CDA.
6. Access to Program Funds: Program funds will typically be provided in installments to applicants through draw requests as expenditures are made in accordance with the funding application. The minimum draw request shall be \$5,000 or 20% of the approved loan amount, whichever is greater. All draw requests must be submitted within 90 days of the project completion date to Village staff to be eligible for reimbursement; if not funds are forfeited. The project completion date will be clearly noted in the construction schedule.
7. Expenditures: All expenditures must be properly documented. All draw requests must be supported by appropriate receipts, invoices, lien waivers, and proofs of payment prior to being processed. As applicable, all permits, inspections, and verifications of work done must also be completed in order to process any draw requests.
8. Eligible Activities: Activities eligible for funding include:
 - a) Real property acquisition, building demolition, site preparation, and similar site-related redevelopment activities to stimulate business development.
 - b) Interior and exterior building rehabilitation and new construction.
 - c) Leasehold improvements; the acquisition of furniture, fixtures, and equipment.
 - d) Operating Expenses/Working Capital not to exceed 20% of total loan amount.
9. Ineligible Activities: Activities **not** eligible for funding include:
 - a) Purchasing equity in private businesses.
 - b) Subsidizing interest payments on existing loans and other working capital expenses.
 - c) Refinancing loans made by other lenders or investors.
 - d) Contributing equity required of borrowers participating in other loan programs.
 - e) Financing deposits in interest-bearing accounts, certificates of deposit, and other cash investments.
 - f) Home based businesses.

10. Other Considerations: Typically, Village assistance will consist of providing financing for fixed assets that are an integral part of the proposed project and up to 20% operating expenses/working capital.
11. Standard Loan Terms: Standard terms for installment loans are as follows:
 - a) Real property acquisition, site-related redevelopment, building rehabilitation—maximum of ten (10) years.
 - b) Leasehold improvements, Furniture, fixtures, equipment and working capital -- three to seven (3-7) years depending on the size of the program loan and the ratio of private sector investment in the project.

The specific term for an individual borrower may also be based on the useful life of the asset, as well as the terms offered by the private sector financial institution participating in the project. However, the CDA retains the right to adjust individual loan terms in order to facilitate a successful loan fund project.

10. Need Determination: Each applicant must demonstrate that Business Loan Program financing is necessary to make the project feasible and that alternative sources of financing the total project is not available on reasonable terms.
11. Interest Rate: Interest charged to the borrower will be US Prime + 1%. The interest rate charged to the borrower will be fixed for the entire term of the loan at the time a loan agreement is signed with the Village. **Loan interest rates will be capped at 4.5%. Depending on the prime rate at the time of a loan application, the CDA can adjust the rate down to accommodate an applicant's particular situation.**
12. Deferral of Principal and Interest: The Business Incentive Program has the option of deferring principal payments upon demonstration by the recipient business that a deferral is required to make the project feasible. This deferral period begins from the date of the first participant draw disbursement.
13. Equity Requirements: The CDA may require an equity injection for Business Incentive Loan Program projects, when appropriate.
14. Collateral Requirements: Each Business Loan Program project will include a Financing Agreement between the Village and recipient business that details the terms and conditions of the loan fund financing, along with supporting collateral documents. In addition, performance bonding may be required when deemed necessary to protect the CDA's interest in the project. The Financial Agreement (See Attachment will be filed with the Village Clerk to become part of the Village's official record.

Collateral requirements will be determined on an individual basis by the CDA and may include mortgages on land and buildings; liens on furniture, fixtures, and equipment; and liens on accounts receivable and inventory. This collateral may be subordinated to private sector financial institutions participating in the project, if required. In addition, junior liens

on all business assets may be used where appropriate. Personal guarantees from the principals of the business with 20 percent or more ownership will be required.

Finally, loan recipients will be required to maintain property-casualty insurance for the appraised value of the property being financed, and have the CDA listed as an additional insured on the policy.

15. General Policies for Restructuring Loans: Business Loan Program loans may be restructured when restructuring will improve the borrower's ability to repay the loan, as long as the business is financially viable as evidenced through a business credit analysis. The CDA will work with the owner(s) of the business to determine the need for restructuring, and, if appropriate, the CDA may restructure the loan to improve cash flow within the business.
16. Program Fees: The CDA will require a loan application fee of \$300 to be paid to the Village of Shorewood at the time of loan application. If the application is approved, a loan origination fee equal to one (1.0) percent of the loan amount, plus payment of any legal fees incurred by the CDA for the loan closing, will be added to the principal amount of the loan and paid with program monies. The CDA reserves the right to waive or reduce these financing origination fees.
17. Availability of Funds: Available funding for the program will be managed by the CDA. In those instances, where the number of requests exceeds available funding, applications will be prioritized based upon the following: Priority will be given to first floor retail uses, specifically retail and restaurant uses, within the business corridor and first floor office uses that create daytime employment. Secondary priority will be given to other uses and upper floor uses within the business district. (See Attachment A for a list of preferred and non-preferred uses and Attachment B for a map of the business district). When feasible, the amount of CDA monies contributed to each project may also be reduced in order to facilitate as many requests as possible. The CDA will follow procedures outlined in the Loan Management and Administration Document to make these decisions.
18. Project Completion Date: All projects must be initiated within six (6) months following approval of the financing application and completed within one (1) year of loan closing. Authorizations/approvals for program participation lapses at the project completion date. The CDA may provide extensions beyond the time limit, if warranted, upon the request of the applicant.
19. Additional Requirements: All CDA-financed activities must:
 - a) Contribute proportionately to the achievement of the Village of Shorewood's economic development goals as outlined in the Village of Shorewood Central District Master Plan and Commercial Design Guidelines, as adopted by the CDA and the Village Board.
 - b) Have the applicant retain ownership for sufficient time to complete the project, stabilize its occupancy, and establish project management.
 - c) Not damage designated Village landmarks.

- d) Comply with all applicable policies, rules, codes, regulations, and statutes of the Village of Shorewood and State of Wisconsin.

* * *

Attachment A
VILLAGE OF SHOREWOOD
BUSINESS LOAN PROGRAM APPLICATION

Name: _____

Address: _____

Business Name: _____

Address: _____

Telephone No.: _____

Brief Project Description:

Sources and Uses of Funds

	Business Incentive Loan Program	Bank Financing	Other Government Assistance	Equity Financing	Total
a) Land /					

Building Purchase					
d) Building Renovation					
e) Capital Equipment					
f) Operating Expenses /Working Capital					
SUBTOTAL					
Closing Costs (1%)					
TOTAL COSTS					

Business Loan Program Assistance Requested

a) Loan Amount	
c) Loan Term (years)	
d) Deferral Period (months)	

Source of Bank Financing:

Name: _____

Address: _____

Contact Person: _____

Telephone No.: _____

Loan Amount: \$ _____

Source of Equity Financing:

Name: _____

Address: _____

Telephone No.: _____

Amount: \$_____

Date Certain that the Project Will Begin: _____

I hereby certify that the information provided above and in the attached supporting documentation is to the best of my knowledge true and correct. I also agree to pay the loan origination fee and any legal expenses, as defined in the Village of Shorewood Business Loan Program manual, should a loan be approved by the Village of Shorewood Community Development Authority.

Applicant Signature

Date

For additional information about the Village of Shorewood Business Loan Program, please contact the BID Director at (414) 272-5823.

Please submit the Business Loan Program application and supporting documentation to:

BID Director
c/o Village of Shorewood
3930 N. Murray Avenue
Shorewood, WI 53211

* * *

BUSINESS LOAN PROGRAM: PROJECT DOCUMENTATION

The following supporting documentation should be submitted along with each Business Loan Program application.

1. A business plan that provides the information identified (See Attached Template #1).
2. Three years of the applicant's most recent financial statements or three years of the applicant's most recent Federal Income Tax Returns.
3. Financial projections including, at a minimum, a balance sheet at project initiation and income statements for the first three years of the project (See Attached Template #2)
4. Personal financial statements for the applicant (See Attached Template #3).
5. A statement of the anticipated community benefits to be derived from the proposed loan fund project and the reasons why the project will not take place or be financially successful without financing from the Business Incentive Loan Program.
6. A letter of commitment from the financial institution or other source(s) of debt financing that is a part of the project.
7. Cost estimates (please provide two officials competitive bids) and a binding construction schedule, with a not to exceed project completion date, for all fixed assets to be purchased or real estate improvements to be made indicating those funded by Business Loan Program monies.
8. A lease or pre-lease agreement for rental property, an offer to purchase for the acquisition of commercial real estate, or a warranty deed for existing commercial real estate.
9. Other documentation that may be required by the CDA that is deemed important relative to a determination regarding the Business Loan Program project.

* * *

Attachment B
VILLAGE OF SHOREWOOD
PREFERRED/NON-PREFERRED USES

Since 2007, the Village of Shorewood, Community Development Authority, and Business Improvement District have been actively engaged with current owners and real estate developers on the retail mix and offerings in the commercial corridors of the Village's business district. The goals for the revitalization of the business district are outlined in Shorewood's Central District Master Plan (2006 and 2014) and in the Retail Market Development Plan (2009 and updated in 2013) (the preceding documents are collectively referred to as the "Planning Documents"). The Planning Documents guide the preferred tenant categories outlined below and will serve as the standard against which requests for any non-preferred uses will be measured. The procedures set forth herein are in addition to, and do not replace, Village ordinances regulations and licensing requirements.

Preferred Uses

1. Restaurants including: Fine dining, casual dining, full-service, limited-service, taverns, delis and breakfast establishments, specialty establishments such as smoothie bars, yogurt shops, candy stores, coffee shops
2. Retail Establishments including: Apparel, jewelry, shoes, sporting goods, pet supplies, hardware/home Improvement, lawn and garden, art supplies/framing/galleries, furniture/home furnishings, electronics, music, craft/hobby, retail postal/packaging/printing, books/magazines/newsstands, florists, cards/gifts, toys

Non-Preferred Uses

1. Service Uses including insurance, banking, financial, legal, realty, staffing, cleaners, gas stations
2. Health and Personal Care including clinics, doctor/dentist offices, massage parlors, chiropractic, funeral, vet clinics, pharmacies
3. Tattoo parlors, gun shops, smoke shops, pawn shops, check cashing stores, adult entertainment
4. Non-profit organizations/businesses
5. Any proposed use not included as a "Preferred Use"

****The CDA reserves the right to review the above uses annually and make changes by a majority vote of the CDA members and the Village Board.*

Attachment C
VILLAGE OF SHOREWOOD
BUSINESS DISTRICT MAP

NEED MAP OF THE BUSINESS DISTRICT

Attachment D
VILLAGE OF SHOREWOOD
FINANCIAL MANAGEMENT AGREEMENT

NEED SEWRPC DOCUMENT

Template #1
VILLAGE OF SHOREWOOD
Sample Business Plan

Template #2

VILLAGE OF SHOREWOOD

Sample Balance Sheet and Income Statement

Template #3

VILLAGE OF SHOREWOOD

Sample Personal Financial Statements



Community Development Authority

FAÇADE IMPROVEMENT PROGRAM

(Revised 10/7/16)

PURPOSE

This Facade Improvement Program is established to stimulate exterior building improvements to existing commercial storefronts in the Village of Shorewood. Improvements shall be sufficient in scope to produce visible improvements to commercial building facades.

PROGRAM GOALS

- Enhance the attractiveness of the Village's Business District.
- Promote a high level of maintenance for a sustainable Business District.
- Promote commercial vitality and increased economic activity in the Business District.
- Maintain or improve existing commercial property values within the Business District which may also effectuate an increase in property values of the surrounding residential areas.

TARGET AREA

The Target Area for this Facade Improvement Program includes commercial properties along the following commercial corridors, within the Village of Shorewood boundaries - both sides of Oakland Avenue and Capitol Drive and the east side of Wilson Drive. (See Attachment A for a map of the Target Area).

ELIGIBLE ACTIVITIES

Eligible activities shall include but are not limited to the following improvements made to commercial building façade(s) facing (visible from) a public street:

- Repair and/or replacement of the original building's materials and decorative details which are deteriorated or missing.
- Repair of non-original materials which cannot be removed due to deterioration of the underlying original building material.
- Cleaning of exterior building surfaces.
- Tuck pointing and masonry repair.
- Painting.
- Repair, replacement or addition of entrances, doors, display windows, transoms and upper story windows.
- Removal, repair and/or replacement of existing signs and awnings.
- New signs and awnings attached to the building facade, up to \$1,500 (subject to maximum reimbursement as detailed below).-(NOTE: Why are we limiting reimbursements to attached signs and excluding from this program sign types that are allowable under the Village's code. In addition, we are now limiting sign reimbursement to \$1,500 which limits the financial impact of expensive signage on the overall program. It would seem reasonable that if someone wants to put in an expensive sign that meets

code, we should be willing to reimburse the \$1,500. The Chair recommends that we remove this exclusion.)

- Design fees (subject to maximum reimbursement as detailed below). ~~on completed projects up to \$1000.~~
- Permanent exterior lighting.
- Screening of dumpsters and parking lots, if made of high quality materials in compliance with Shorewood Design, Review Board requirements. ~~, such as wrought iron.~~

NON-ELIGIBLE ACTIVITIES

- Work on non-mixed use, residential buildings.
- Work on a commercial building facade not **facing (visible from)** a public street
- Work on a roof and/or flooring.
- Work done before execution of a Façade Improvement Program Agreement (See Attachment B).
- Purchase of property.
- Construction of a NEW building (Construction of an entirely new building AND construction of any renovation where over 50% of the square footage of the building renovation is new construction).
- Patios, decks, or balconies not facing a public street
- Parklets
- Fixtures and equipment.
- Inventory.
- Landscaping.
- Signage not in compliance with the Village's sign code.

PROGRAM FUNDING

This program is established to stimulate eligible exterior improvements to existing commercial storefronts. Two types of grants are available under the program.

Concept Design Grant

This grant will share the cost of developing a conceptual design and cost estimate for improvement of the subject building facade. An approved applicant will receive 90% of the consultant cost for developing the completed conceptual design and cost estimate up to (NOTE: current proposed options are \$1,000 or \$2,000. The Chair recommends that we retain the reimbursement amount at \$2,000. It is critical to encourage high quality work and this part of the program encourages professional design work which benefits the Village.)

Facade Improvement Grant

This grant will share in the actual cost of implementing the improvements identified in the conceptual design and cost estimate including the cost to complete final design and

construction documents. An approved applicant will receive an amount equal to 50% of the aforementioned costs up to (NOTE: current proposed options are \$5,000, \$15,000 and \$25,000)\$10,000 per storefront, with a cap for signage at \$1,500. Interior renovations when simultaneously planned for construction and paid for privately by the Owner/Applicant can count towards the Façade Improvement Program required matching funds (NOTE: While from a development perspective it would be beneficial for Shorewood to implement an interior improvement program to assist business owners, it is the Chair's recommendation that we not include this component in the Façade Program. We have limited funding and should ensure as much as possible goes to fund façade improvements. The CDA should investigate alternate methods to fill this need.)

A property owner or business owner that is proposing to do additional improvements to a commercial storefront in which past improvements were funded by the Façade Improvement Program, may apply for a Façade Improvement Program grant. However, this Façade Improvement Program limits grants to (\$5k, \$15k or \$25k)\$10,000 per storefront, per five-year period. Subsequent requests within that five-year period will require direct approval by a majority vote of the CDA members.

APPLICATION PROCESS

NOTE: Consensus of the information received from CDA members was that the program should continue to be administered by the BID.

- A. ~~A.~~—The Shorewood Façade Grant Program is described in full on the Shorewood BID and Village of Shorewood website. Once the applicant familiarizes themselves with the program guidelines, they should contact the Shorewood BID executive director for a discussion of the proposed project and how the program may be accessed. The An official application can be (found on the Village of Shorewood's website and the Business Improvement District's (BID) website). ~~containing all information requested on the application, including sign off from the property owner.~~ **NOTE: Before filling out this application, consult with the BID Director to ensure the project would qualify for this program.** At this meeting, the BID Director may request and conduct an on-site visit with the Applicant.
- ~~B.~~—An Official Application shall be submitted to the to the BID Director by an Owner/Applicant.
- ~~C.~~—The BID Director will share this application with the Village Planning Director. They will review the application then meet with the Owner/Applicant to discuss the concept design process and potential budget parameters.
- B. ~~D.~~—A qualified design professional prepares a schematic concept elevation of the facade and a cost estimate for approval by Owner/Applicant, BID Director, and the Village Planning Director.

- C. ~~E.~~ Before completing the application or applying for the grant program, the Owner/Applicant will submit, to the Village Planning Director, a Design Review Board Application including professional material samples for the remodeling concept to the Shorewood Design Review Board (SDRB) for approval.
- D. Once the SDRB has approved the proposed exterior commercial improvement, the applicant should submit their formal application to the Shorewood BID executive director
- E. A complete application will include the following:
- i. A completed construction application cover page which will include the applicant's name, property address, and signature and approval by the property owner (if applicant is a commercial tenant)
 - ii. A brief description of the project
 - iii. At least two bids for the project from qualified contractors
 - iv. The approved plans submitted to the SDRB
- F. Owner/Applicant will obtain a minimum of two written proposals from experienced contractors to complete the remodeling in accordance with the plans and specifications and all applicable laws and then submit to the BID Director for his review and approval. The Owner/Applicant is not required to accept the lowest bid. If there is a difference in total pricing by 20% between the 2 bids and the Owner/Applicant is deciding to go with the more expensive bid, the Owner/Applicant is responsible for explaining in writing why there is a pricing difference and why the higher bid is being chosen
- G. Once the application is complete and submitted, the Shorewood BID executive director and the Village Planning director will review the application and, if approved, sign the application.
- H. ~~G.~~ Once all approvals required in steps A-~~G~~F are obtained, the Owner/Applicant and the BID Director will execute a Façade Improvement Program Agreement in which the Owner/Applicant agrees to complete the project within one year. Construction on façade improvement must commence within 30 days of execution of the Façade Improvement Program Agreement.
- ~~D.I.~~ In return, †The BID agrees to reimburse the Owner/Applicant for 50% of the exterior façade costs of the project, up to (~~\$5k, \$15k, \$25k~~)\$10,000 per storefront, with signage reimbursement capped at \$1500, including the preparation of plans and specifications, upon completion of the project. All invoices, canceled checks, and lien waivers for the project work must be reviewed and approved by the BID Director and Village Planning Director before grant reimbursement occurs.

RECORD RETENTION

Certain records related to this Façade Improvement Program are public record and subject to open records law. As such, applications will be stored in the Village Planning Director's office and available for viewing.

Attachment A
VILLAGE OF SHOREWOOD
Façade Improvement Program Target Area

~~NEED MAP~~ SEE EMAIL ATTACHMENT 1

Attachment B
VILLAGE OF SHOREWOOD
Facade Improvement Program Agreement

THIS AGREEMENT is made and entered into this _____ day of _____ by and between the Shorewood Business Improvement District (BID) and _____, applicant/owner (Recipient) of the subject property located at _____, in the Village of Shorewood, Wisconsin.

RECITALS

WHEREAS, the CDA is desirous of encouraging activities which enhance the attractiveness of the Village's Business District; promote a high level of maintenance for sustainable Business District; promote commercial vitality and increased economic activity in the Business District; and maintain or improve existing commercial property values within the Business District which may also effectuate an increase in property values of the surrounding residential areas; and

WHEREAS, the CDA and the Village Board have approved and adopted a FACADE IMPROVEMENT PROGRAM to encourage business and property owners to upgrade the commercial storefront facades; and

WHEREAS, pursuant to the FAÇADE IMPROVEMENT PROGRAM, the Recipient names above has applied for a grant to assist in completing facade improvements; and

WHEREAS, the CDA has designated the Business Improvement District (BID) Director to be the acting agent on its behalf;

WHEREAS, after reviewing the application submitted by Recipient, the BID Director and Village Planning Director have found and determined that it would be beneficial to and serve to implement the goals of the Village's redevelopment effort in the Business District to support Recipient's facade improvement project through a grant of funds upon the terms and conditions hereinafter described; and

NOW, THEREFORE, for the mutual considerations described herein and other good and valuable consideration, the parties agree as follows:

I) BID obligations and responsibilities:

(A) After construction is completed and upon receipt of all documentation relating to the facade improvement project costs, the BID Director shall reimburse Recipient for one-half of the construction related costs up to a maximum grant of \$10,000. In the event that Recipient fails to complete the improvements within 6 months of signing this agreement, the BID shall not be liable for reimbursement for any construction costs

unless the BID Director and Village Planning Director agree otherwise in writing. Recipients must submit to the BID Director any request to approve extensions to that deadline at least 30 days prior to the project completion date if so needed.

(B) The BID shall not be liable for payments for services beyond the scope of the BID authorized improvements, nor shall the BID be liable for improvements which are made after the facade improvements project is completed or after the BID has authorized reimbursement to the Recipient.

(C) The BID shall not be a party to nor is it liable for any contractual payments to any contractors, architects or other third parties. Payments to any contractors, architects or other parties are the sole responsibility of the Recipient.

II) Recipient obligations and responsibilities:

(A) Recipient agrees to accept grant funds in an amount not to exceed \$10,000. Such grant funds shall be given on a reimbursement basis and shall only be for one-half of the construction related costs up to a maximum grant amount of \$10,000 (with reimbursement for signage capped at \$1,500); and

(B) Recipient acknowledges and agrees that the grant funds are to be used solely for exterior facade improvements on the subject property located at:

_____.

(C) Recipient is the owner of the subject property or has submitted the owner's written consent to improve the subject property on the grant application form which is attached hereto as Exhibit "A"; and

(D) Recipient has submitted a final design sketch or plan of the exterior facade improvements which has been approved by the Village of Shorewood Design Review Board and is attached hereto as Exhibit "B". Recipient acknowledges that all facade improvements completed shall be consistent with the aforesaid plans and be in conformance with all federal, state, county and municipal laws, ordinances, codes and regulations; and

(E) Recipient has submitted two written proposals from qualified contractors which are attached hereto as Exhibit "C"; and

(F) Recipient agrees that all facade improvements as set forth in Exhibit "B" shall be completed on or before one year from the time this agreement is signed by both parties ("the completion date") and no grant fund reimbursement payments shall be made prior to completion; and

(G) Recipient shall maintain books, records, and documents in accordance with generally accepted accounting procedures and practices to maintain adequate internal

controls which, relating to storefront facade improvements, sufficiently and properly reflect all expenditures of funds provided by the BID under this Agreement; and

(H) Recipient shall make all books and records pertaining to the facade improvement project available to the BID and/or CDA/Village staff for inspection, review and audit purposes at all reasonable times upon demand for the term of this Agreement and for three (3) years thereafter; and

(I) The recipient shall submit to the BID not more than sixty (60) days after the facade improvement project is completed, all supporting documentation relating to the costs associated with the improvements on the subject property; and

(J) The Recipient and or the Recipient's contractor(s) shall carry worker's compensation insurance to cover all workers involved in the project. Recipient shall maintain, at its own expense, General Liability Insurance covering the subject property and the resultant uses thereof in the amount of \$1,000,000.00 and will maintain property damage coverage for a minimum of \$100,000.00 the premium of which shall be paid prior to execution of this Agreement. Said insurance shall name the BID as an additional insured; and shall provide the BID with notice of any cancellation or change in coverage. Recipient shall furnish the BID with certificates of Insurance. Any lapse of this coverage during this period of the Agreement shall be grounds for termination of the Agreement by the BID Director as the acting agent for the CDA.

(III) Term of Agreement

This Agreement shall commence upon execution and shall expire sixty (60) days after the Completion Date. In the event that the Recipient fails to commence the project within thirty (30) days from the date of execution of this Agreement, BID Director as the acting agent of the CDA reserves the right to terminate this Agreement upon ten (10) days' notice to Recipient.

Application received date: _____

Grant approved date: _____

Project budget: _____

Grant amount: _____

Execution date: _____

Commencement date: _____

Completion date: _____

(IV) Grant Payments

Recipients may request 1 draw payment after the completion of at least 50% of the project costs. The 2nd and final draw request is may be made after project completion. The final draw request must be made within 30 days of project completion. All draw requests must also be supported by proper receipts and proofs of payment. The final draw will also be contingent on passing any building inspections related to the project being funded.

(V) Designated Representatives

The names and addresses of the Designated Agents/Representatives of the parties in connection with this Agreement are as follows:

AS TO AGENCY: BID Director
c/o Village of Shorewood
3930 N Murray Avenue
Shorewood, WI 53211

AS TO RECIPIENT: _____

IN WITNESS WHEREOF, the parties have made and executed this Agreement in the date first written above, as follows:

ATTEST:

SECRETARY

BID Director

RECIPIENT:

By: _____

Signature: _____

Print name: _____

Title: _____

Exhibit A
Commercial Property Owner's Written Consent

Exhibit B
Final Design Sketch or Plan of the Exterior Façade Improvements
Approved by the Village of Shorewood Design Review Board

Exhibit C
Two Written Proposals from Qualified Contractors