



**Community Development Authority
Meeting AGENDA**

January 8, 2016 7:30 A.M.

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

1. Call to order.
2. Consideration of December 4, 2015 meeting minutes.
3. Review and discussion of Draft 1 – Annual Financial Review presentation document for the February joint CDA/Village Board meeting.
4. Review and discussion of the draft Façade Program recommendations. 4 attachments:
 - a. Façade Program Recommendations – Draft 1 for January CDA Meeting.docx
 - b. Façade best practices.docx
 - c. Comparison of Program Grant Amounts.xlsx
 - d. Façade Reporting Template.xlsx
5. Review prioritization of Opportunity Site List. Revised Pdf
6. Update on identified action items
 - a. Identification of potential candidates for the “small development project”
 - b. Identification of any potential large façade project candidates
7. Future agenda items
8. Scheduling of future meetings
9. Adjournment

DATED at Shorewood, Wisconsin, this 4th day of January, 2016.

VILLAGE OF SHOREWOOD

Tanya O'Malley, Village Clerk WCMC

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



Community Development Authority Meeting Minutes December 4, 2015

3930 N. Murray Avenue, Shorewood, WI 53211

DRAFT

1. Call to order.

The meeting was called to order at 7:30 a.m. Members present: Chair Peter Hammond, Tr. Tammy Bockhorst, Tr. Davida Amenta, John Florsheim, Pete Petrie, Andrea Roschke and Michal Dawson (arrived 7:50 a.m.)

2. Consideration of October 2, 2015 & November 6, 2015 meeting minutes.

Ms. Amenta addressed members stating her belief that the minutes should better reflect member attribution of comments during the meeting. She also stated that, given she and Tr. Bockhorst are representatives of the Village, it is particularly important that the minutes reflect and attribute their comments. Ms. Bockhorst concurred.

Ms. Roschke moved to approve the minutes with the addition to the October minutes that Tr. Amenta is concerned that since the Ehlers Report is based on a number of assumptions, any changes to those assumptions could potentially change the report's conclusions. Seconded by Mr. Florsheim. Vote 6-0.

3. Update on Business Development Open House event.

Mr. Swartz updated members. The event was a success, with over 100 developers, business owners, brokers and others invited. The Village is sending out letters with a booklet that provides market and business information and redevelopment opportunity information.

Tr. Amenta suggested having a speaker at a future event to discuss a topical issue as that may help increase attendance

4. Discuss façade program best practices.

Chair Hammond distributed a one-page summary of façade program best practices. This item will be on the next meeting agenda with more detailed information provided in advance.

5. Review prioritization of Opportunity Site List.

Ms. Lang distributed a tally of members input of the survey. It was concluded the survey will be redistributed to the CDA, Village Board, Plan Commission and key village staff to complete. Surveys are due back to Ms. Lang by December 16th.

Tr. Amenta asked what the list will be used for and whether the property/business owners are aware their properties are on the list.

The list is for assisting in discussions with developers and letting them know priority opportunities. The list does not drive direct action. Mr. Swartz confirmed that property owners have been made aware of the list.

6. Update on identified action items

a. Preparation of CDA-approved projections and plans for the February joint CDA/Village Board meeting presentation

Mr. Hammond noted the village is working with Ehler's for TID projections with current information. The CDA will receive the updated report for the January meeting. The CDA/Village Board joint annual meeting will be the week of February 15, 2016.

Community Development Authority
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b. Identification of potential candidates for the “small development project”

Members discussed some of the sites on the opportunity list.

c. Identification of any potential large façade project candidates

Business Improvement District Director Jim Plaisted was present. Two commercial buildings at 1200 E. Capitol and 4001 N. Oakland would be ideal for large façade improvement projects.

d. Review of façade program and presentation of recommendations to the CDA and village board respectively

Item deferred.

7. Future agenda items.

Chair Hammond confirmed the next meeting agenda will discuss methods for taking meeting minutes.

8. Scheduling of future meetings.

The next meeting is January 8, 2016

9. Adjournment.

The meeting was adjourned at 8:37 a.m.

Recorded by,



Ericka Lang
Planning Director



FACADE IMPROVEMENT PROGRAM NUMBER ONE

PURPOSE

This Facade Improvement Program is established to stimulate exterior building improvements to existing commercial buildings in the target area which are sufficient in scope to produce visible changes to the building facades.

PROGRAM GOALS

- Maintain vibrancy** and enhance the attractiveness of the target area.
- Promote a high level of maintenance for a sustainable commercial area.
- Promote commercial vitality and increase economic activity.
- Maintain or improve existing property values in the target area and adjacent areas.
- Support all businesses including regional and national entities with a focus on encouraging local businesses and local entrepreneurship.**

NOTE FOR CDA DISCUSSION: Are there specific ways we want to encourage local businesses and local entrepreneurship? Do we want to provide greater funding (for example a 75% grant for signs)?

TARGET AREA

The target area for this Facade Improvement Program is the area included within Tax Incremental District #1. Please see the attached map.

ELIGIBLE ACTIVITIES

Eligible activities shall include but are not limited to the following:

- 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, or second story windows.

- Removal, repair and/or replacement of existing signs and awnings.
- New signs and awnings.
- Design fees on completed projects.
- Landscaping improvements and planters.
- Permanent exterior lighting.
- Permit fees for completed projects.

NON-ELIGIBLE ACTIVITIES

- Work on a Facade not facing a public street.
- Work on a roof.
- Work done before approval of an Application Agreement for this Facade Improvement Program.
- Purchase of property.
- Construction of a NEW building.
- Fixtures and equipment.
- Inventory.
- Additional items mentioned by CDA members:**
 - **Standalone landscaping projects**
NOTE FOR CDA DISCUSSION: In reviewing other Façade programs, a very small minority (I located 2) excludes this activity; however, the guidelines for these programs do not detail the reasons for the exclusion.

Our Façade program appears to have funded two "stand alone" landscaping projects (North Shore Funeral Home and North Shore Bank). Both encompassed significant footprints of new landscaping. While this category was raised as something that should not be funded moving forward, a well-reasoned and planned landscaping project can be as impactful as any building restoration. In contemplating this exclusion, it is unclear why this is an excludable activity. Are there specific elements of landscaping that we would want to exclude?

CDA REVIEW

- Cumulative Grant Evaluation*
A property that has received a Façade Grant in the past may apply for additional Façade Grants. Once a site has received cumulative grant funds of \$25,000 per project site per five year period for single tenant properties and \$50,000 per project site for multi-tenant properties (or other properties that qualify under this document), subsequent requests within that period will require direct CDA review. These limitations exclude sign/awning requests due to business change outs.
NOTE FOR CDA DISCUSSION: There was some CDA discussion of excluding properties from receiving subsequent funding. The exclusion language would forbid the CDA from funding and while that may be prudent most of the time, there may be instances where the CDA would want to assist. Does the CDA want to procedurally limit its ability to fund a beneficial project for a location that has surpassed predefined funding milestones? To avoid that situation, the

proposed wording requires locations that have surpassed funding milestones to receive CDA approval for any subsequent requests. Does this put too much burden on the CDA? What criteria will the CDA utilize to approve or deny?

In my review of other Façade Programs, I located only a few other programs that contained grant limitation language. None had exclusion language but did require direct CDA approval after limits were exceeded.

□ *BID Board of Directors Grant Requests*

NOTE FOR CDA DISCUSSION: There was some CDA discussion that there could be a perceived conflict involving grants for projects on buildings controlled by and/or occupied by members of the BID Board of Directors. In reviewing other Façade programs, none had any language on this subject. In addition, it may be ill-advised to have a different and more onerous process for those businesses that volunteer their time to help the community.

In reviewing the Façade Program activities since inception, BID Board of Directors members do not appear to have received preferential treatment. In addition, the audit that has been conducted on the program each year since the program's inception has not identified this as an issue. Is the CDA trying to solve a problem that does not exist? Two thoughts on this:

1. It is likely that the more frequent and comprehensive reporting to the CDA and Village Board (see proposed updated reporting template) will provide the necessary transparency and visibility to address future potential conflicts that could arise.
2. The BID Director has seen a few other communities utilize a conflict of interest statement, signed by the BID Board of Directors members when they are appointed.

PROGRAM FUNDING

This program is established to stimulate eligible exterior improvements. 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 \$2,000.

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 \$25,000. Amounts above the maximum may be authorized with approval by the Community Development Authority of the Village of Shorewood.

APPLICATION PROCESS

- A. An official application containing all information requested shall be submitted to the Administering Agency by an Owner/Applicant.
- B. Agency staff reviews the application, meets with the Owner/Applicant to discuss the concept design process and program agreement.
- C. Agency staff and/or Owner/Applicant arranges for preliminary consultation with a design professional to ascertain the aesthetic and functional goals of the facade remodeling and determine the potential budget parameters.
- D. Design professional prepares schematic concept elevation of the facade and a cost estimate for approval by Owner/Applicant and Village review process.
- E. Owner/Applicant submits a building permit for the accepted remodeling concept to the Shorewood Design Review Board for approval.
- F. Owner/Applicant obtains 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 submits them to the Administering Agency for review and approval.
- G. The Owner/Applicant and Agency execute an agreement in which the Owner/Applicant agrees to complete the project within one year. In return, the Agency agrees to reimburse the Owner/Applicant for 50% of the cost of the project, up to \$25,000, including the preparation of plans and specifications, upon completion of the project.

Shorewood Façade Grant Program

A Best Practices Discussion

Introduction: In the last several months, Community Development Authority members and Village Trustees have requested staff to report on the state of Shorewood's Façade Grant program, its effectiveness, and how other communities are organizing and evaluating their programs.

In talks with Chairman Peter Hammond, he suggested the following areas of focus for today's discussions.

1. Program Management
2. Village Board Reporting
3. Program Success Factors
4. Control Procedures

1. Program management.

a. Market Practices. We are interested in what other communities are doing after they have had a program in place for a number of years and the obvious needs have been addressed. How do they, and how can we, continue to have a vibrant program that focuses its support principally on "need" based small businesses.

Answer: In my research of local and a handful of out of state programs, I did not find any criteria for "need". The main criteria throughout is the physical improvement of buildings to enhance the commercial corridors the program is servicing.

I believe another way to answer the question about "need" is not related to the business/property owner per se (they need funding or project doesn't happen) is that the community wants the quality of the improvements that the funding assures.

b. Expense Categories. Are there types of expenses that we should consider including/excluding? Should we review the categories on which we are willing to grant?

Answer: I've found that the categories of eligible expenses and non-eligible are pretty constant across the various communities I researched. (See attached programs)

As to the "intent of the original program" funding "permanent" enhancements, I'll offer the approved language from the original adoption of the program:

PURPOSE: *This Facade Improvement Program is established to stimulate exterior building improvements to existing commercial buildings in the target area which are sufficient in scope to produce visible changes to the building facades. **PROGRAM GOALS** Enhance the attractiveness of the target area; Promote a high level of maintenance for a sustainable commercial area; Promote commercial vitality and increase economic activity; and Maintain or improve existing property values in the target area and adjacent areas.*

This mission statement is clear as to intent and direction given in 2004. I believe it dictates how the program was intended to be run and how future applicants should be reviewed. If we want quality, substantive improvements then we need to continue to encourage an environment where we can assist owners in the reaching that mutual goal of an attractive and vibrant business district.

c. **Grant Amounts.** We are also interested in dollar amounts of grants that other communities utilize and your thoughts on what ours should be. Are ours higher/lower than other communities? Does that provide a competitive advantage/disadvantage?

Answer: See attached spreadsheet for comparisons. I would say Shorewood's is on the high end of grant amounts especially with the "large" ones that were approved by the CDA.

It's anecdotal but Shorewood's program (as far as amount of grant) grabs people's attention. Remember its matching private dollars so over \$850,000 have been spent on the private side.

2. **Village Board Reporting.** We would like to enhance the reporting we provide to the Board so they can understand in more detail how the money is allocated for the specific projects. It would be helpful to see reporting templates others use that we could adopt that provide more detail on each grant.

Answer: Two discussions with staff in other communities found nothing special as a reporting mechanism to local funding boards. Spreadsheets and testimony at meetings is how they report. BID/Village staff could draft something quarterly that could show details of grants in that quarter along with running totals for properties/dollars spent. That would not be difficult to draft a form.

3. **Program Success Factors.** I think it would also be good for you to identify the key elements that make our program successful and provide Shorewood with a competitive advantage over other communities from your experience and from what you hear in the market. Do we have specific examples of where a façade grant was instrumental in attracting a business to Shorewood?

Answer: There are several factors why it's successful. 1) Amount of grant (compared); 2) Ease of application/staff approval (no meeting process per se); and 3) support of funding bodies (sends a message).

I can't recall a specific example of attracting a business due to the Façade Grant program. I'm sure it's been a key factor as new businesses/property owners are doing their pro forma due diligence and they have the ability to drop in the potential grant and therefore reduce their expense of opening. But its part and parcel of an entire package of reasons they may open in Shorewood: Market, rent, price of real estate, parking, transportation options, other economic development incentives, etc.

4. **Control Procedures.** Finally, it would be beneficial to remind members of the controls, checks and balances that are in place with respect to the program to eliminate any perceived conflict of interest.

Answer: To the conflict of interest concern, I would point to the guidelines/rules of the grant and how they are executed. The program does not offer judgement for staff to grant or not grant. If you meet the criteria, you are eligible for a grant. The only way a conflict could occur is for staff to ignore certain criteria for grant dollars, execute a grant without proper documentation, etc. In other words, if all parties (private and public) are following the guidelines for the program there is no discretion as to who receives and doesn't receive.

The program, along with all BID financial activity, is reviewed during the BID's annual audit review. That has occurred since program inception (2004) and to date no issues have arisen with the BID's management of the program or grant execution by the independent auditor.

In reviewing other programs, there are more people involved with the process. I found various committees set up specific to the program, a BID board, a CDA, or multiple City staff handling applications, approvals, and grant execution. In only one or two instances did I find a similar review process to Shorewood's.

Lastly, this is a good overview of façade grant programs in general. You will note that Shorewood's mission is in line with the general principles outlined by this blogger:
<http://plannersweb.com/2013/10/how-facade-improvement-programs/>

Façade Grants

Municipality	Max/Min	Grant/FL	Approval
Shorewood	\$25,000/none	Grant	Staff
Milwaukee	\$5,000*	Grant	Committee
South Milwaukee	\$2,500*	Grant	Committee
Grafton	\$20,000*	grant	CDA
Wauwatosa	\$5,000*	Forgiveable Loan	CDA
Hartland	\$10,000*	Grant	BID
Glendale	no program		
Mequon	no program		
Whitefish Bay	no program		
Brown Deer	no program		
Brookfield	\$5,000	grant	staff?
New Berlin	no program		
Menomonee Falls	\$20,000	grant	CDA
West Allis	\$20,000	grant	several levels, staff, Council

Notable Differences

\$10,000 and above lien is placed on property for 3 years; vacant space 50% grant until occupied contract over \$2000 subject to fed wage standards (CDBG);

"sign replacement program";

If tenant/owner stays 5 years pay back only 20% of loan funds (sliding scale prior to that); "junior" version for signs approval at committee and board level (BID); categorization of impactful improvements which guides priorities

CDBG funding from County; targeted industrial area NW side of City

does have a "need determination" but the process for that is unspecified; mirrors revolving loan program language mult-level approvals at all levels. Anecdotal information from BID Director is that this could take months to get app

is only

is
proved.

Shorewood Economic Development Activities Survey of Opportunity Site Priorities

1/4/2016 Totals from 18. Missing 1 trustee and 3 plan commissioners

No.	Address	Current use	Opportunity	Rough Priority			Absolut- ely Not
				Top 4	Next 4	Bottom 4	
1	4300 N. Oakland	Queensway Cleaners	Mixed use	4	5	5	
2	4100 block Oakland (entire block)	Verizon, Benjis, Starbucks	2 mixed use buildings	6	5	2	2
3	4230 N. Oakland	UPS	Pocket park	8	1	4	
4	1516-30 E. Capitol Drive	Wells Drive Thru and garages	Senior apartments	5	6	2	
5	1700-12 E. Capitol	3 parcels: Crivello's, Brighter Concepts	Commercial/mixed use	5	7	1	
6	1610 E. Capitol Drive	Post Office	Adaptive commercial reuse	2	5	6	1
7	1300 E. Capitol	Baker's Square	Mixed use	2	4	2	1
8	1409-25 E. Capitol	Thompson Drug, 2 other parcels	Mixed use	5	5	4	
9	3600 block Oakland	East Gardens, BP station and office building	Residential or Mixed use, office first floor	7	6	1	
10	4201 N. Oakland	TCF Bank	Mixed use	5	3	1	1
11	2400-20 E. Capitol	private parking lot and Sunseekers	Mixed use	2	4	5	1

Shorewood Economic Development Activities Survey of Opportunity Site Priorities

1/4/2016 Totals from 18. Missing 1 trustee and 3 plan commissioners

No.	Address	Current use	Opportunity	Rough Priority			Absolut- ely Not
				Top 4	Next 4	Bottom 4	
12	3900 block Oakland	North Shore Bank building parking lot	Redevelopment of excess space in lot	4	3	4	2
13	3800 block Oakland	3 Single Family, east side	Redevelopment when available	1		5	3
14	4400 N. Oakland	North Shore Bank	Mixed use- Theatre?/Bank?/Other use?	6	3	2	1
15	4057-67 N. Wilson	AB Data and The Legion Post	Redevelopment??	3	5	3	1
16	4442-50 N. Oakland	Multifamily and public parking lot	Public parking deck		4	4	4
17	1820 E. Capitol	ATT Building	Retail reuse 1st floor	2	1	6	1
18	1200 E. Capitol	Remax Building	Access from trail to building. Rest stop, bike station, patio	3	3	8	1
19	1572 E. Capitol	Improvements to Northwoods vacant stories	Ability to increase revenue	2	4	3	3
20	Oakland Avenue	Several prospective sites	boutique hotel	1	3	3	1

Note River Park site removed as a redevelopment site. Opportunity remains for parking, accessibility and gateway improvements.