



Shorewood 2.0

Successes and Challenges to Creating a Great Place



The Congress for the New Urbanism Event

May 17, 2016



Welcome

Guy Johnson

President, Village of Shorewood

Ken Voigt

Board President, CNU-WI



Shorewood Economic Development Program

- History and Background
- Accomplishments
- Strategies and Tactics
- Future Priorities and Challenges

Panel Discussion

Tour of Metro Market



Shorewood as an Urban Village

Pat Algiers Board Member, CNU-WI



Shorewood as an Urban Village

- Densely populated
- Mixed use zoning/development in CBD
- Good public transit
- Pedestrian & bike friendly – reduced reliance on cars
- Housing opportunities & choices
- Public space – placemaking & public art
- High level of self-containment (live, work, play)
- Strong community participation



CBD Strengths

- Mixed use has always been part of CBD
- Cruciform/quadrant Village design gives all equal access to CBD
- Village is densely populated
- Village is land locked – no urban sprawl
- Parking on streets, lots, structures
- Attention to safety
- Public-private partnership process
- Housing opportunities & choices
- Emerging food & beverage district
- Creative & entrepreneurial businesses



CBD Weaknesses

- 70's suburban planning & architecture w/ set backs
- Land value doesn't support single or two story buildings
- Parking - perceived (or real?) problem
- "Missing teeth"
- Spread out CBD
- Absentee landlords w/ long standing vacancies
- Limited options for office space
- Changing retail patterns
- Foot traffic not in place for retail
- Difficult to clusters businesses that would thrive if clustered
- Utility, school buildings, apartments w/out first floor retail break flow of CDB



Virtual Tour of Shorewood Development

- ❑ Chris Swartz Village Manager, Shorewood
- ❑ Pete Petrie Previous Chair, CDA
- ❑ Peter Hammond Current Chair, CDA



Background



Introduction

- ❑ Shorewood economic development program – many moving and nuanced parts.
- ❑ We'll try to cover all facets – but with less detail than is in the slides.
- ❑ This presentation and other materials are available on the Shorewood web site for your future review. See the last slide in the Challenges section.
- ❑ You can also contact any of the presenters if you have questions.



Economic Development Chronology

- ❑ Recognition of declining values 1990 to 1995
- ❑ Creation of the CDA 1993
- ❑ Establishment of TID #1 (Initial one) 1995
- ❑ Initial North Oakland projects 1995 to 2005
- ❑ Creation of Business Improvement District (BID) 1999
- ❑ Creation of the Village Vision Plan 2005, 09, 14
- ❑ Expansion of TID #1 2005
- ❑ Development of the Master Plan 2006 & 2014
- ❑ Origination of branding and marketing program 2008
- ❑ TID #3 Overlay (Post Sunrise proposal) 2008
- ❑ End of TID #1 spending period 2016
- ❑ Expected close of TID #1 2021



Shorewood Circa 1988





1111 Capitol Dr





Missing Teeth in the Smile



04/25/2012



Community Development Authority (CDA)

□ Background

- ✓ Created by State of Wisconsin to facilitate local economic development.
- ✓ Reports to the Village Board.
- ✓ 2 members are Trustees and 5 are community members.

□ Objectives

- ✓ Eliminate “blight” = land use improvement.
- ✓ Increase business district tax base.
- ✓ Shift tax burden from residents to business owners.
- ✓ Provide goods and services to local consumers.
- ✓ Improve walkability, vibrancy and attractiveness of the business district



Business Improvement District (BID)

□ Background

- ✓ Created by the Village of Shorewood in 1999 at the request of commercial business and property owners.
- ✓ Funded primarily by assessment of property owners.
- ✓ Directed by a board, board president and executive director.

□ Objectives

- ✓ Promote the District through special events, marketing campaigns and media exposure.
- ✓ Promote the District as a great place to own and operate a business.
- ✓ Act as a catalyst for private investment.

□ Assists CDA in:

- ✓ Ongoing assessment and planning of economic development programs.
- ✓ Recruiting / retaining businesses and developers.
- ✓ Prospecting for new redevelopment projects.
- ✓ Administering façade and business loan programs.



Food and Beverage Guide (BID)

SHOREWOOD Food & Beverage Guide

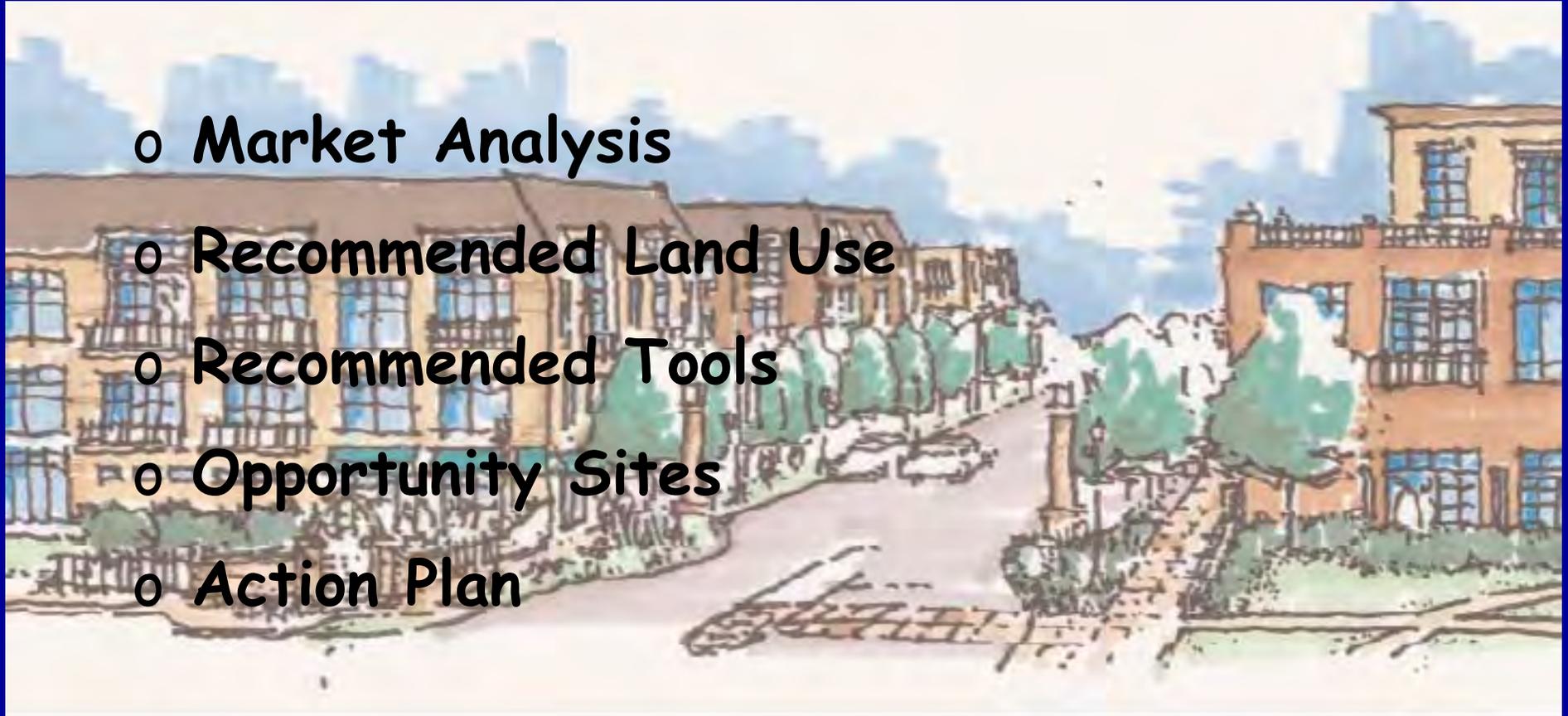
- 1 Baker's Square
- 2 Benji's Deli & Restaurant
- 3 Camp Bar
- 4 The Chocolate Factory
- 5 The City Market Café
- 6 Colectivo Coffee Roasters
- 7 Culver's
- 8 Draft & Vessel
- 9 East Garden Restaurant
- 10 Einstein Brothers Bagels
- 11 Falbo Brothers Pizzas
- 12 Goody Gourmats
- 13 Harry's Bar and Grill
- 14 Hubbard Park Lodge & Beer Garden
- 15 Indulgonce Chocolaters
- 16 Kensington Liquor
- 17 Miss Cupcake Bakery
- 18 NaNa Asian Fusion & Sushi Bar
- 19 Nehring's Sendik's an Oakland
- 20 Nino's Southern Sides
- 21 No. 1 Chinese Restaurant
- 22 North Shore Baulangerie
- 23 North Star American Bistro
- 24 Oakcrest Tavern
- 25 Starbucks
- 26 Shane Creek Coffee
- 27 Subway
- 28 Thief Wine
- 29 Three Lions Pub
- 30 Vedo's Pizza
- 31 William Ho's
- 32 Yo Mami!

Check out the interactive map at shorewoodwi.com



Master Plan - 2005

- o Market Analysis
- o Recommended Land Use
- o Recommended Tools
- o Opportunity Sites
- o Action Plan



THE LAKOTA GROUP
S.B. Friedman & Company



Shorewood Marketing Program

- ❑ Village-wide program - serves schools, village overall, CDA, and BID.
- ❑ Audience includes
 - ✓ Current and potential residents
 - ✓ Developers
 - ✓ Businesses
 - ✓ Customers of the Business District
- ❑ Strategies include:
 - ✓ Differentiate Shorewood from its “competitors”
 - ✓ Implement key improvements to strengthen its image
 - ✓ Develop and deliver integrated and consistent messages to targeted audiences
- ❑ Activities include:
 - ✓ Publishes “Shorewood Today” magazine quarterly
 - ✓ Advertising campaigns
 - ✓ Shorewood events



Accomplishments



Project Categories

- ❑ Redevelopment projects
- ❑ Façade projects
- ❑ Infrastructure projects



Redevelopment Objectives

- ❑ To eliminate / improve sub-standard conditions
- ❑ To increase the value of property in the District
 - ✓ To benefit the recipients of property tax revenue – Shorewood Village, Schools, and other entities
 - ✓ To benefit owners of property in the District
- ❑ To improve the “walkability” of the Village
 - ✓ Improved pedestrian safety
 - ✓ More and better public spaces
- ❑ To provide more and better shopping, dining, and service opportunities.



Redevelopment Project Examples

- MRI Building
- Cornerstone Building
- Ravenna Building
- LightHorse Building
- Metro Market Footprint
- Metro Market – Grocery and Parking Structure
- Matrix Building
- HarborChase



MRI Facility



4600 Block Oakland





Cornerstone Building



Oakland at Kensington





Ravenna



4500 Block Oakland



LightHorse



4000 Block Oakland





Metro Market Footprint





Metro Market Grocery and Parking



4100 Block Oakland





The Mosaic



4175 Oakland





Redevelopment Project Summary

- ❑ For 7 major redevelopment projects constructed from 2000 to present + Sherman project (just beginning construction)
- ❑ Payback period 9 to 19 years
- ❑ Total public / private investment \$160,000,000
- ❑ Tax Increment created \$115,400,000
- ❑ Incentive Grants \$22,200,000
- ❑ Repayable Loans \$10,000,000
- ❑ Increment to Grant Ratio 5.2 to 1

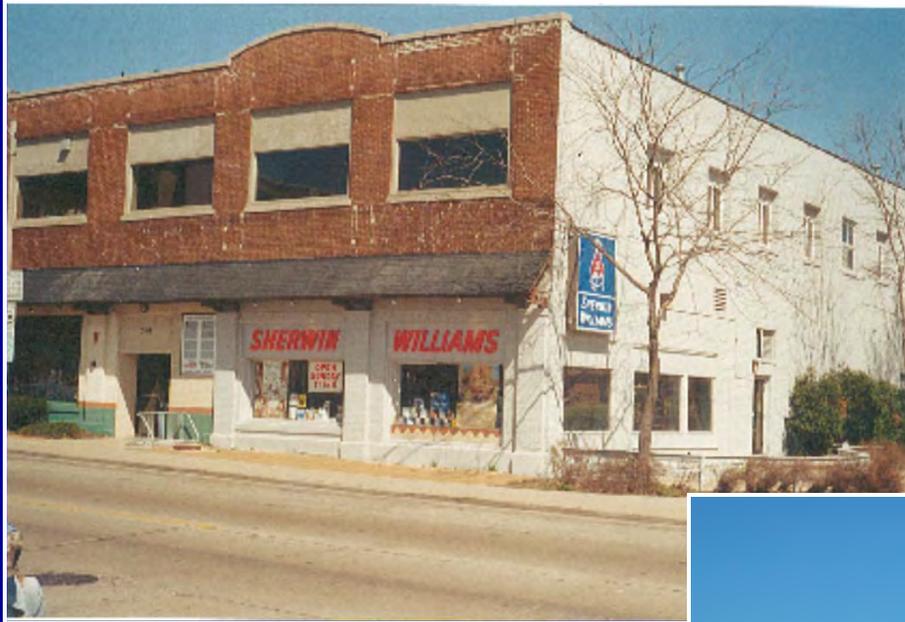


Facade Project Examples

- ❑ Sherwin Williams
- ❑ Lakeview Building
- ❑ Chocolate Factory
- ❑ Draft and Vessel
- ❑ Village Pub
- ❑ Colectivo Partners



“Sherwin Williams” Building



Oakland at Edgewood





Lakewood



3500 Block Oakland





Chocolate Factory



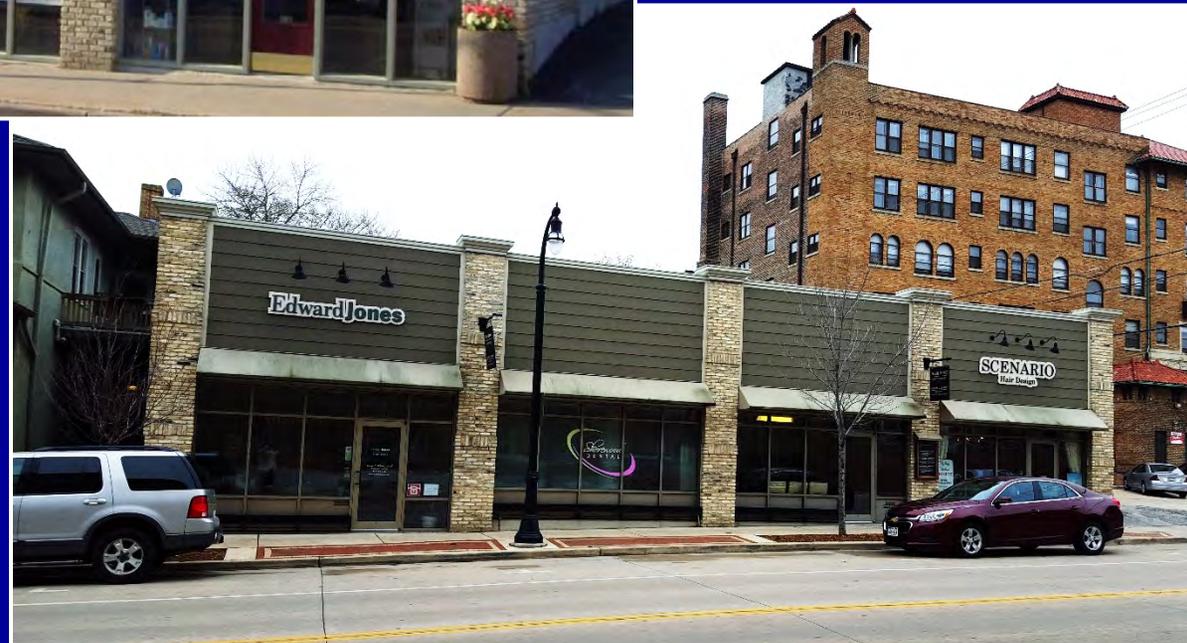
Oakland at Lake Bluff



Schramm Building

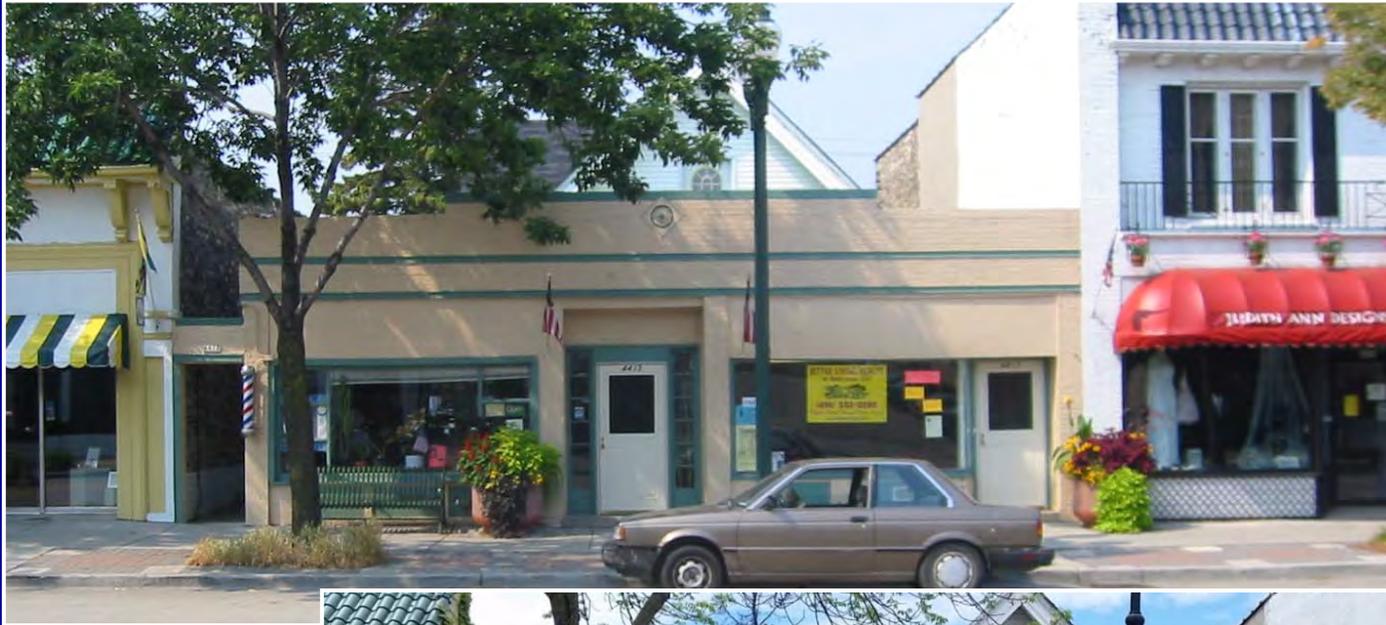


2300 Block Capitol





Draft and Vessel



4400 Block
Oakland





Village Pub



4400 Block Oakland





Colectivo Partners



4100 Block
Oakland

Newly
Approved



Infrastructure Projects

- ❑ Oakland Avenue streetscaping
- ❑ Capitol Drive reconstruction and streetscaping
- ❑ Oakleaf Trail bridge
- ❑ Parking
 - ✓ To accommodate residential parking needs
 - ✓ Additional for employee and customer needs
- ❑ Public Art (All private investment)



Oakleaf Trail Bridge





Oak Leaf Trail Bridge





LightHorse Parking Structure



- ✓ Employees
- ✓ Res. Tenants
- ✓ Customers
- ✓ Public



Shorewood Public Art - The Ghost Train





Intangible Benefits

- ❑ Walkability of the Business District
- ❑ Activity and vitality
- ❑ New businesses – Facilitated by recruiting, façade program and business loan program
- ❑ Shopping and dining opportunities for residents and others
- ❑ Overall appearance of the District



Accomplishments

- ❑ Without Shorewood's economic development programs, it wouldn't have been successful in:
 - ✓ Addressing sub-standard conditions
 - ✓ "Cleaning up" the appearance and functionality of the business district
 - ✓ Achieving the current level of walkability and vibrancy
 - ✓ Filling the gap in the smile

- ❑ Without financial incentives, these improvements would not have occurred
 - ✓ Infill nature of many situations
 - ✓ Lack of economic rationale for developers in many situations



Strategies

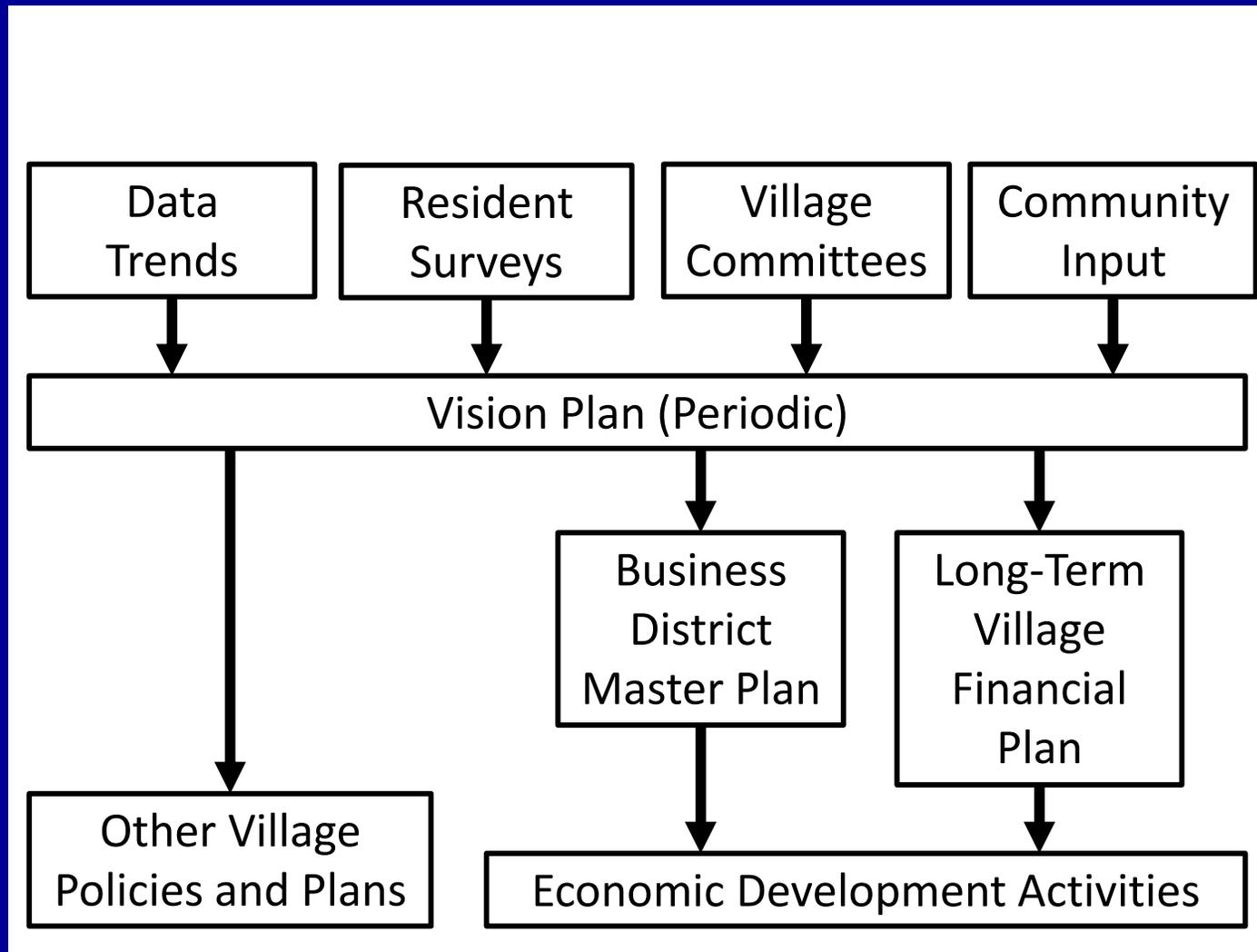


Economic Development Strategies

- ❑ Planning and data based decision making
- ❑ Top-down guidance
- ❑ Strong supporting programs
- ❑ Proactive (versus opportunistic) approach
- ❑ Coordinated planning and execution of activities
- ❑ Use of Tax Incremental Financing
- ❑ Strong CDA membership
- ❑ Active Village Board relationships and communications
- ❑ Community education – also a challenge



Top-Down Guidance





Strong Supporting Programs

- ❑ Redevelopment program
 - ✓ Driven by Master Plan and developer interest
 - ✓ Consideration of developer proposals
 - ✓ Primarily for infill projects
 - ✓ Use of incentives and TIF with defined criteria for need

- ❑ Façade program
 - ✓ For building exterior – strict criteria
 - ✓ 100% match of building or business owner
 - ✓ Grants not based on need.
 - ✓ Up to \$25,000 w/o CDA approval. Higher with CDA and/or Board approval.

- ❑ Business incentive loan program
 - ✓ To facilitate recruiting and retention of businesses
 - ✓ Primarily for physical improvements
 - ✓ Need based - to fill the gap between actual cost and other financial resources
 - ✓ \$640,000 loaned to date w/ 10 loans.
 - ✓ 10 new businesses. 1 business retained.



Coordinated Planning and Execution

- ❑ Community Development Authority
 - ❑ Plan Commission
 - ❑ Design Review Committee
 - ❑ Pedestrian Safety Committee
 - ❑ Parks Committee
 - ❑ Conservation Committee

 - ❑ Financial and Legal Advisors
- ❑ Planning and Zoning
 - ❑ Village Finance
 - ❑ Public Works



Use of Tax Incremental Financing

- ❑ Wisconsin tool for local economic development
- ❑ Funds incentives for projects that would not otherwise occur
 - ✓ Grants, and
 - ✓ Loans
- ❑ Creation of tax incremental districts (TIDs):
 - ✓ Active multiple project districts (TID #1 and #3)
 - ✓ Active single project districts (TIDs #4 and #5)
 - ✓ Closed district (TID #2) – Edgewood Place – 10 year payback creating \$13,300,000 in new value.
- ❑ Funds borrowed and then repaid from incremental taxes on the values created from funded projects.



Strong CDA Membership

- Peter Hammond (Chr) Resident Robert W. Baird executive
- Tammy Bockhorst Trustee Educator and entrepreneur
Senior campaign strategist
- Mike Dawson Resident Previous **DCD***
Deputy Commissioner
- John Florsheim Resident President - Weyco Group
- Pete Petrie Resident Retired consultant - Paradigm
Consulting / Andersen Consulting
- Andrea Roschke Resident Real estate attorney
Von Briesen & Roper
- Allison Rozek Trustee Owner – Swanky Seconds
Previous **DCD*** staff member

* DCD = Milwaukee Department of City Development



Tactics



- ❑ Targeting of opportunity sites
- ❑ Developer cultivation
- ❑ Proposal development process and timing
- ❑ Use of development incentives
- ❑ Use of special expertise and studies
- ❑ Financial management concepts and oversight



Top Redevelopment Opportunities

IMAGINE
 THE POSSIBILITIES IN
SHOREWOOD
 Top Redevelopment Opportunities

1700-12 E. CAPITOL DR.

PARCEL 1	240-0020-000
ADDRESS	1700 E. Capitol Dr.
TOTAL ASSESSMENT	\$454,300; Land \$176,400
CURRENT USE	Service
PARCEL SIZE	42' X 120' = 5,040 SqFt
OWNER INFORMATION	
Marty Mercen 310 Auburn Meadows, Ct. B, Campbellsport, WI 53010 mmercen@aol.com 414.412.8640, 414.916.8116	
PARCEL 2	240-0021-000
ADDRESS	1709 E. Capitol Dr.
TOTAL ASSESSMENT	\$338,000; Land \$210,000
CURRENT USE	Service
PARCEL SIZE	45' X 120' = 5,400 SqFt
OWNER INFORMATION	
Keith Johnson 2943 N. Hacket Ave., Milwaukee, WI 53211 keithsola@hotmail.com 414.412.4450, 414.332.9050	
PARCEL 3	240-0022-000
ADDRESS	1712 E. Capitol Dr.
TOTAL ASSESSMENT	\$461,500; Land \$176,400
CURRENT USE	Service
PARCEL SIZE	42' X 120' = 5,040 SqFt
OWNER INFORMATION	
Michael Yerukhimovich/ Dr. Lara Fleysch 9524 N. Wakefield Ct., Bayside, WI 53217 mmyerukh@sbcglobal.net 414.228.1356, 414.963.0950	
TOTAL AREA	15,480 SqFt
ZONING	
ZONED B-3	100% commercial or mixed Use
SETBACKS	FRONT: 15 foot build-to line from street curb REAR: 10 feet from 1 & 2 family district SIDE, INTERIOR: Zero unless next to residential CORNER: 20 feet from curb or exception by Plan Comm
HEIGHT	Min: 2 stories Max: 70 feet, not to exceed 5 stories

Site identified in Central District Master Plan as Redevelopment opportunity.
 Concept for 39,000 SF 3-story commercial with Pedestrian passage.



Proposal Development Process

- ❑ Potential developer interest and research.
- ❑ Village / developer discussion re: mutuality of interest.
- ❑ Developer creation of project description and financial projection:
 - ✓ Development cost
 - ✓ Pro-forma profit and loss
 - ✓ Proposed funding sources and amounts – including requested Village grant and loan incentives
 - ✓ Estimated developer return on investment (ROI)
 - ✓ Draft of development agreement – Village and developer
- ❑ CDA review and consideration for public announcement
- ❑ Public announcement – as a proposal to be considered
- ❑ Information meetings, public hearings and consideration:
 - ✓ CDA (continuing and throughout)
 - ✓ Plan Commission / Design Review Committee
 - ✓ Village Board



Use of Development Incentives

- ❑ Grants and loans – based on developers needs.
- ❑ Loans to be repaid:
 - ✓ Adequate collateral required.
 - ✓ Breakeven interest rate.
- ❑ Resulting ROI must not exceed ROI of projects with similar economic characteristics and risk profile.
- ❑ Use of development agreement to document the responsibilities of each party.
- ❑ Use of professional firm to vet construction costs – projected and actual.
- ❑ Claw-back provisions in most agreements.



Priorities Going Forward



Priorities Going Forward

- ❑ Build Relationships:
 - ✓ Community
 - ✓ Commercial business and property owners
 - ✓ Developers

- ❑ Create sustainable demand
 - ✓ Smaller scale
 - ✓ Green development
 - ✓ Integrate with developers

- ❑ Maintain the oversight process
 - ✓ CDA due process
 - ✓ Major process approval CDA – Public – Village Board
 - ✓ Annual comprehensive review of plans and financial projections

- ❑ Extend façade and loan program support



Extension of TID #1 Support

- ❑ End of TID #1 spending period = 2016
- ❑ Expected TID #1 closing year = 2021
- ❑ Planned transfers to the CDA

Purpose	No. of Add'l Years	Last Year
Façade Program	11	2027
Loan Program	Perpetual	
Recurring Expense - Administrative	5	2027
Recurring Expense – Other	11	2027



Challenges



- Community communication and education
 - ✓ What
 - Proposal Status
 - New project justification
 - Rationale for incentives
 - Community benefits
 - ✓ How
 - Fact-based communication
 - Effective timing and reach of public notification
 - Transparency
- Project proposal generation
 - ✓ Fewer opportunity sites
 - ✓ Competition from more communities



- ❑ Redevelopment Opportunity Sites
- ❑ 2006 Central District Master Plan
- ❑ 2014 Central District Master Plan
- ❑ 2014 Shorewood Vision Plan
- ❑ December 31, 2015 Annual CDA Financial Report



Panel Discussion

☐ Moderator

- Carolyn Esswein

CNU – WI, Board Member

☐ Panelists

- Bruce Block
- Mike Harrigan
- Ann McKaig
- Bob Monnat
- Jim Plaisted
- Chris Swartz

Reinhart Boerner

Ehlers & Associates, Inc.

Shorewood Trustee

Mandel Group

Shorewood BID Director

Shorewood Village Manager



School of Rock

Rock Marasco Owner, School of Rock





Tour of Metro Market

Tony Kuchinsky Manager, Metro Market

