



*Partners working together to cultivate an attractive and thriving downtown*

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## **AGENDA/MEMO**

### **Economic Vitality Team: Surveys and Financial Incentives**

**Thursday, August 18<sup>th</sup>, 2016**

**12-1 pm**

**The Coffee House**

**TEAM LEADERS: Michelle Petersen, MPC Property Management  
Barb Bakshis, Fox River State Bank**

1. Review of Downtown Strategic Plan Related to the Team Focus/Goals
  - a. Survey downtown property owners to determine type/size of projects necessary to address deferred maintenance or upgrades to commercial/residential spaces in downtown
  - b. Develop and implement new financing mechanisms to assist with property maintenance projects
    - i. Create marketing materials to summarize available local and state funding resources
2. Accountability and Reporting
  - a. Semi-annual large group meetings with all teams (February and July)
3. Survey
  - a. Review draft survey prepared by RCEDC and provide feedback regarding the questions (attached)
  - b. Review proposed outreach letter (attached)
  - c. Discuss outreach approach
  - d. Discuss data compilation approach and next steps
4. Incentives
  - a. Review list of available incentives compiled by RCEDC (attached)
  - b. Review list of proposed new incentives and develop a plan to secure the preferred incentive(s) (attached)
  - c. Next steps: Determine new potential resources to pursue and define a plan of action to secure the new resources
5. Determine Frequency of Team Meetings and Best Ways to Communicate as a Team
6. Assignments
  - a. Survey
  - b. Incentives

**DRAFT**  
**Downtown Property Owners Survey**  
**July 2016**

1. Respondent's Name: \_\_\_\_\_
2. Company Name: \_\_\_\_\_
3. Downtown Burlington Building Address: \_\_\_\_\_
4. Phone: \_\_\_\_\_ E-Mail: \_\_\_\_\_
5. Website: \_\_\_\_\_

**Overall**

6. Do you own a business operating out of this building?  
 Yes  
 No
7. Do you live in the building?  
 Yes  
 No
8. How is the building currently being used? Ex. Commercial space on multiple floors or residential space on top/lower floors. \_\_\_\_\_  
\_\_\_\_\_
9. List current commercial tenants and their industries. \_\_\_\_\_  
\_\_\_\_\_
10. How satisfied are you with your ability to attract commercial and/or residential tenants for your properties?  
 Extremely satisfied  
 Slightly satisfied  
 Not concerned  
 Slightly dissatisfied  
 Extremely dissatisfied
11. Overall, are you satisfied with the return you are getting on your downtown investment?  
 Very satisfied  
 Satisfied

- Neutral
- Dissatisfied
- Very dissatisfied

12. Overall, in the past year have your rents:

- Increased
- Decreased
- Remained the same

13. How long have you owned property in Downtown Burlington?

- 5 years or less
- 5-10 years
- More than 10 years
- More than 20 years

14. In a typical month how much time do you spend at your property in Downtown Burlington?

- None
- 1-20 hours
- I have my business there
- I live there

**Commercial Units**

15. Total sq. ft. of leasable commercial space in the building: \_\_\_\_\_ sq. ft.

- Average floor size: \_\_\_\_\_ sq. ft.

16. My average commercial lease is: \_\_\_\_\_ (write in # of months/years)

17. Rent charged per month/asking rent: \$ \_\_\_\_\_

- Identify inclusions by circling those that apply:
  - i. Utilities
  - ii. Triple net
  - iii. Parking
  - iv. Other: \_\_\_\_\_

18. Do you currently have a vacancy or are you expecting a vacancy in the next six months?

- Vacant sq. ft. available for rent: \_\_\_\_\_ sq. ft.

19. Year of last renovation

- Interior: \_\_\_\_\_ (write in year)
- Exterior: \_\_\_\_\_ (write in year)

20. Please describe planned renovations you wish to occur in the next year.

- Interior list: \_\_\_\_\_  
\_\_\_\_\_
- Exterior list: \_\_\_\_\_  
\_\_\_\_\_

21. Do you have financing needs (a financing “gap”) in order to make the renovations you ID’d in #20?

- Yes
- No

**Residential Units**

22. Total sq. ft. of leasable residential space in the building: \_\_\_\_\_ sq. ft.

- Average apartment size: \_\_\_\_\_ sq. ft.

23. My average residential lease is: \_\_\_\_\_ (write in # of months/years)

24. Rent charged per month/asking rent: \$ \_\_\_\_\_

- Identify inclusions by circling those that apply:
  - i. Utilities
  - ii. Triple net
  - iii. Parking
  - iv. Other: \_\_\_\_\_

25. Do you currently have a vacancy or are you expecting a vacancy in the next six months? (If yes, offer to list the space on the Available Properties Inventory)

- Vacant sq. ft. available for rent: \_\_\_\_\_ sq. ft.

26. Year of last renovation

- Interior: \_\_\_\_\_ (write in year)
- Exterior: \_\_\_\_\_ (write in year)

27. Please describe planned renovations you wish to occur in the next year.

- Interior list: \_\_\_\_\_  
\_\_\_\_\_
- Exterior list: \_\_\_\_\_  
\_\_\_\_\_

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28. Do you have financing needs (a financing “gap”) in order to make the renovations you ID’d in #27?

Yes

No

**DRAFT**  
**Letter for Downtown Property Owner Surveys**  
**July 2016**

Dear Neighbor:

You are receiving this letter from a growing coalition of downtown business, property owners and community members who support revitalizing downtown Burlington. To put it frankly, the general consensus of those we have talked to have concerns that many buildings in downtown are not kept up well enough (inside and out) to support a welcoming image for visitors to our community. We believe that a brighter, more attractive and welcoming environment will ultimately draw more visitors, customers and businesses.

So, we're taking our efforts to the next level and we've prepared the enclosed survey to gather your feedback as a downtown property owner. We'd like to know your thoughts and future renovation plans for your downtown property. Do you know about the financial resources available to assist with your renovation plans? Do you have available space to rent and did you know that we publish a list of available buildings for rent?

By responding to this survey we will have a better understanding of your future rehab/renovation plans any needs you may have for financial assistance. We'll follow up with you on your responses to share information about resources you could tap into to make your future projects a reality. Honestly, we are seeking your candid feedback regarding your thoughts about owning property in downtown Burlington.

Please complete the enclosed survey by **DATE**. You can submit your responses using any of the following methods:

- Mail it to Tina Chitwood at Racine County Economic Development Corporation at the address shown below
- Fax it to Tina at 262-898-7401
- E-mail it to [tchitwood@racinecountyedc.org](mailto:tchitwood@racinecountyedc.org)

Thank you for taking the time to respond to this survey. We're working hard together to make downtown Burlington a welcoming place for all who visit.

Sincerely,

*Downtown Burlington Economic Vitality Team*

Michelle Petersen, Chair and MPC Property Management  
Walter "Chip" Bahr, Bahr & Kadlec, Ltd  
Barb Bakshis, Fox River State Bank  
Madonna Carr, Bike Burlington  
Ellen Ekes, Burlington Resident  
Sherry Gordon, Burlington Resident  
Doug Harris, Burlington Resident  
Dana Kroll, Cathe Center

Linda Luger, Burlington Resident  
Susan Lynch, Burlington Resident  
Wendy Lynch, Bon Bon Belle  
Brandi Nelson, People's Bank  
Kristen Olsen, Kristen J. Olsen Agency  
Mary Poletti, Nickolai Law  
Leslie Scherrer Pella, PSG of Wisconsin  
Kevin Schuerman, Kevin P. Schuerman C.P.A.  
Jon Schultz, Prominic and Burlington Alderman  
Judith Schultz, Teacher Place, Inc.  
Sue Uebele, Burlington Resident  
James Wallace, Neighborhood Optometry

## Incentives to Finance Building Improvement Projects In Downtown Burlington

July 2016

### I. Currently Available Loans

1. City of Burlington TID-RLF
  - a. Eligible Projects:
    - i. Land and building purchases
    - ii. Façade improvements
    - iii. Equipment, furniture and fixture purchases
    - iv. Limited working capital needs
    - v. Tenant improvements
  - b. Eligibility:
    - i. Located in the Downtown TIF District
    - ii. Property owner has to operate a business occupying 51% of the total building space
    - iii. Tenants
  - c. Interest Rate: 50% of prime (WSJ Prime Rate = 3.5% a.o. 7/25/16)
  - d. Term: 5 year term, 20 year amortization
  - e. Borrower Equity Requirement: 10% of project cost
  - f. Loan Amount: Generally up to 40% of the project costs
  - g. Community Benefit Required: Examples: Job creation, increased tax base, renovation and occupancy of a vacant building
  - h. Fees are charged and life insurance is typically required
  - i. Amount available: \$40,000
2. City of Burlington Revolving Loan Fund
  - a. Eligible Projects:
    - i. Same as TID-RLF and
    - ii. Demolition, renovation, and improvements of buildings
    - iii. Purchase of rolling stock
  - b. Eligibility:
    - i. Same as above, but can be located anywhere in the City of Burlington
  - c. Interest Rate: 0-2%
  - d. Term: Same as above
  - e. Borrower Equity: Same as above
  - f. Loan Amount: Cannot exceed either 50% of the project costs or \$300,000
  - g. Job Requirement: 1 job for every \$35,000 lent and 51% of the jobs must be LMI
  - h. Fees are charged and life insurance is typically required
  - i. Amount available: \$541,165
3. Six other RLF programs and SBA 504 Loan program available via RCEDC

## II. Currently Available Grants/Tax Credits

1. City of Burlington Façade Grant
    - a. 50% matching grant up to \$5,000 for exterior building improvements, including signage
    - b. Amount available: \$0
  2. Racine County Matching Grant
    - a. 50% matching grant up to \$2,500 for consultant costs (could include consultants for window displays, consultants recommending a new brand/logo including updated signage)
    - b. Eligibility: 2 years+ in business and 51%+ women-owned or 51% minority-owned
    - c. Amount available: \$30,000
  3. Historic Tax Credit Programs
    - a. Commercial property owners who invest in preservation of their buildings may be eligible for state and federal tax credits. Approved costs for 20% for state and another 20% for federal tax credits.
    - b. Eligibility:
      - i. Must be a “certified historic structure”
      - ii. Listed on State or National Register of Historic Places
      - iii. Project must meet a minimum investment
      - iv. Work must be approved in advance and meet historic preservation standards
    - c. Eligible/Ineligible Projects:
      - i. Eligible: All work inside and outside the building except moveable equipment
      - ii. Ineligible: Landscaping, paving and new additions
- 

### **\*\*NEW IDEAS\*\***

#### **Property Improvement Financing Tools Other Communities Are Using**

## I. Loans

1. Berlin Bank Loan Program
  - a. 5 local banks sponsored a low-interest RLF
2. First Bank Financial Center low-interest loan program – Milwaukee and other area
  - a. Bank contributes funds to revitalize a specific area
  - b. Loan applications and loan servicing are administered by the bank
3. Property Assessed Clean Energy (PACE)
  - a. Low-cost, long-term loans for energy-efficiency, renewable energy and water conservation improvements
  - b. Not yet available in Racine County. The County and RCEDC are working on making the program available.

## II. Property Assessments/Tax Programs to Source Funds

1. Business Improvement Districts (BIDs)
  - a. Assessments that allow business properties within a geographic area to contribute to programs aimed at promotion, management, maintenance and development of the district. BID assessments are restricted to commercial and industrial properties subject to real estate tax.
2. Tax Re-Investment Program (TRIP)
  - a. Similar to TIF but TRIP accesses only the City's share of the property tax dollar paid by the new development
  - b. Intended for projects when there is a smaller dollar amount required to bridge a funding gap or when the City desires to target incentives and not through the use of TIF Districts

## III. Crowdfunding

1. Kiva Loans
  - c. Borrower applies for a loan, goes through underwriting and approval process, loan is posted to Kiva for lenders to support (Lenders crowdfund the loan in increments of \$25 or more), loan gets funded when crowdfunding level is reached

## IV. Grants

1. Edgerton Façade Grant double days
  - a. Expanded program to 60% match from 30%
  - b. Expanded the pool of funds
  - c. Increase was only available within a 3 month window. Applicants had one year to complete the work.
  - d. Building Inspector conducted an exterior inspection of all properties based on the existing nuisance ordinance. A report of all ID'd issues was sent to property owners not as an enforcement notice, but as an observation.
    - i. Resulted in 44 projects during one year period; all but 4 serious issues were remediated
2. Union Grove Rent Assistance Grant
  - a. Funded by TID (but could be funded by other sources)
  - b. Pays 50%, up to \$300 per month, up to 12 months, to reimburse rent payments for new businesses who move into vacant storefronts in downtown
3. City of Milwaukee Grants
  - a. White Box Grant: [http://www.milwaukee downtown.com/images/content/internal-pages/481871716CITYWIDEWHITEBOXAPPLICATION\\_UPDATEdocx\\_%282%29.pdf](http://www.milwaukee downtown.com/images/content/internal-pages/481871716CITYWIDEWHITEBOXAPPLICATION_UPDATEdocx_%282%29.pdf)
  - b. Retail Investment  
Fund: <http://www.milwaukee downtown.com/images/content/internal-pages/RIFProgramGuidelinesupdate1.pdf>