

# Central Business District Focus Retail Program

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## **Program: Central Business District Focus Retail Program (CBDFRP)**

**Goal:** Provide targeted financial incentives to increase the vitality of the downtown retail environment, to complement a variety of initiatives undertaken by Milwaukee Downtown BID #21 to stimulate retail activity.

**Target area:** The program will focus on businesses located within the area bounded by Wisconsin Avenue from Milwaukee Street west to N. Fourth Street. North-south blocks crossing East and West Wisconsin Avenue from Wells Street to Michigan Street are also included.

### **Business Incentives**

The Central Business District Focus Retail Program will make available two new incentives within the target area. Businesses and property owners within the target area will continue to be eligible for façade and retail investment fund grants. However, as noted below, there are restrictions on using these programs in combination.

The City of Milwaukee and Milwaukee Downtown BID #21 will jointly fund the incentives described below. For every \$3 contributed by the City of Milwaukee, BID #21 will contribute \$1. Both the City of Milwaukee and Milwaukee Downtown BID #21 will be represented on the CBDFRP application review and awards committee.

### *White-box grants*

This grant is designed to stimulate successful leasing of vacant first-floor retail space by assisting building owners to make interior improvements to upgrade the space and ready it for leasing.

- The grant will reimburse owners for costs related to bringing vacant space to “white-box” condition. Eligible costs include reusable base finish improvements such as ceilings, lighting, plumbing, interior walls, electrical outlets, concrete flooring, demising walls, restrooms and HVAC modifications.
- The white-box grant will offer reimbursable grant funds up to \$15 per sq/ft with a maximum grant amount of \$30,000. The grant may not exceed 75% of the total white-box project costs.
- The building must be in the targeted area and white-box grant funds may be used only for first-floor retail space with an active street presence.
- Property owners or retailers may qualify for white-box grants. However, owners and retailers who receive a white-box grant will NOT be eligible to receive a Façade or RIF grant for the same property.
- A retail unit may receive a maximum of one white-box grant. A property owner may receive a maximum of two white-box grants in a calendar year.

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- Project applications will be accepted on a first-come, first-served basis beginning June 1, 2010, until current fiscal year funding is depleted.

### Retail forgivable loans

This loan program is designed to assist property owners in downtown Milwaukee to attract targeted retailers by lending funds to the owner that can be provided to the tenant to subsidize rent, purchase inventory, install signage, and undertake marketing and advertising. Loan amounts are forgiven over a five-year period. Acceptance of a retail forgivable loan will cause a lien to be placed on the associated property.

- Retail forgivable loans are available to owners seeking to attract retail operations targeted by the Downtown Retail Strategy.
- Retailer must enter into a five-year lease for the space, and provide an acceptable business plan and five-year cash flow pro forma.
- Owner and retailer benefiting from the loan must present a spending plan that demonstrates that funds will be used in accordance with the purpose of the program.
- Retailer benefiting from the loan must demonstrate private sector leverage of at least 2 to 1 (i.e., at least \$2 of private financing for every dollar of forgivable loan).
- Retailer benefiting from the loan must provide at least 20% equity investment in the business.
- Retailer must occupy street-level space in the target area. A targeted retailer seeking to expand into an adjacent storefront or a second downtown location also is eligible for this assistance.
- Size of the loan is based on square footage occupied by the tenant.
- Property owners receiving a retail forgivable loan will be required to deposit monthly principal payments in an escrow account. Payment size will be based on a five-year amortization schedule with 0% interest. In order to be eligible for reimbursement of the loan, the borrower shall present receipts documenting the use of the funds by the tenant. Annually, the property owner will certify the continued operation of the retailer in order for 20% of the loan to be forgiven. In this manner, the loan will be forgiven at a rate of 20% per year for each year that the business remains in operation. In the event of default or closing of business, the remaining balance shall not be deemed “forgivable” and shall be subject to all legal collection efforts including enforcement of lien rights.
- Project applications will be accepted on a first-come, first-served basis beginning June 1, 2010, until current fiscal year funding is depleted.