

WHITEFISH BAY COMMUNITY DEVELOPMENT AUTHORITY (CDA)

DOWNTOWN INCENTIVE GRANT/LOAN UPDATE – FOX BAY BUILDING

In June of this year, the Whitefish Bay Community Development Authority (CDA), received a Downtown Incentive Grant Application from property owner New Land Enterprises requesting consideration of grant funding for improvements to the Fox Bay Building on Silver Spring Drive. Specifically, New Land requested \$670,000 in grant funding in accordance with the Downtown Incentive Grant Program guidelines, which allow applicants to request funding in an amount not to exceed 50% of the eligible project costs.

After review and deliberation at four meetings over the course of the past seven weeks, the CDA took action to recommend that the Village Board approve a proposal and negotiated agreement that includes the following financial support and key provisions:

- A grant in the amount of \$100,000
- A loan in the amount of \$300,000 that would convert to a grant if the Fox Bay Theater is substantially operational by June 30, 2025
- Property owner guarantees an assessment increase of at least \$2,293,000 by January 1, 2024 (requires the property owner to make up the difference in additional taxes if guarantee isn't met)

The financial support aligns with Grant Program's funding outcome to attract new businesses and encourage business development through building expansions or interior renovations. The third floor buildout at the Fox Bay Building will reactivate space that has been vacant for many years and will enable the entire floor to be utilized by a Northwestern Mutual branch office. The addition of the branch office will lead to approximately 30 additional jobs in the commercial district. Furthermore, the support incentivizes the property owner to invest in the future of the Fox Bay Theater, which the CDA recognizes is a matter of strong community interest.

The Downtown Incentive Grant Program is not funded by the Village's general property tax revenues. Grants are funded with Tax Increment District (TID) #1 Fund Balance. TID #1 is the Silver Spring District. Current taxpayers do not bear the burden of grant payments because the fund balance exists as a result of the new tax base that has been generated since the TID was created in 2003. The TID #1 Fund Balance may only be utilized for costs that directly relate to improving/revitalizing the Silver Spring District.

Since 2017, 11 grants have been awarded to incentive projects that have resulted in new construction, building repairs/renovations, fire prevention enhancements, tenant space buildouts, restaurant kitchen infrastructure and outdoor seating areas.

The Village Board is tentatively scheduled to review the CDA's recommendation at its meeting on Monday, August 29th (6:00pm at Village Hall). To sign up for meeting agenda alerts, please visit:

<http://www.wfbvillage.org/list.aspx>