

## Village approves loan partnership

Written by MARK JAEGER

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### **Port Washington State Bank to focus on promoting economic growth in downtown, Foster Commons**

Following the lead of several neighboring communities, the Saukville Village Board approved a new loan program last week in partnership with Port Washington State Bank.

Under the program, the bank commits to offering \$250,000 in low-interest loans to enhance the village's key commercial districts. The loan amounts will be for between \$5,000 and \$50,000.

The local initiative will be called the Village of Saukville Business Development Loan Program. The focus will be on occupying vacant commercial properties.

Port State Bank offers similar loan programs to the business communities in Port Washington and Grafton.

The possibility of making similar offerings in Saukville struck Village President Barb Dickmann.

"When I saw what they were doing elsewhere, I thought, 'Why can't they do that in Saukville, too?'" Dickmann said last week after trustees approved the program.

"The people at Port State Bank have been so great to work with. They are truly committed to partnering with the village to encourage economic development here."

Dickmann, Village Administrator Dawn Wagner and Economic Development Director Marilyn Haroldson worked with Steve Schowalter, Chris King and Gary Heckendorf from the bank to pull the loan program together.

The pool of money will be used to support business projects in the Foster Commons Mixed Use District and the Downtown Redevelopment Area.

"The loan proceeds will be utilized to fund a variety of commercial projects ranging from assisting new businesses locating in the described area with start-up costs to helping existing businesses with renovations or expansion plans," a village memo on the program explained.

The risk to the village is minimal, because the below-market-rate loans will be made to the applicants by the bank. The village will act as a filter in the application process, identifying preferred projects.

As touted in other communities, the loan program will have a short turn-around. Business owners will be notified within 15 days of submitting an application whether their loan has been approved.

Applications for the loans will be processed by Haroldson, who can be reached by calling 284-9423 or e-mailing [ComDev@village.saukville.wi.us](mailto:ComDev@village.saukville.wi.us).

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The bank program is independent of the revolving loan fund which the village has been offering for years using federal dollars funneled to the state by the U.S. Department of Housing and Urban Development.

Last month, in response to the federal government's tightening of controls, the Village Board approved revisions to the 12-page manual used to govern the program.

Ozaukee Economic Development Executive Director Kathleen Cady Schilling explained to trustees that the federal government is insisting on more accountability for the loan program, especially in creating jobs for low and moderate-income workers.

According to the new federal standards, businesses receiving revolving loans from local governments must document that at least 51% of the jobs created through the loan are offered to moderate-income workers. The federal government defines moderate income as 80% of average income in the county.

Cady Schilling said the revised standards also set strict rules against "piracy," or recruiting businesses to relocate from elsewhere in the state.

"The only exception might be a case where a company is considering either relocating into your community or out of the country," she said.

Ozaukee County approved changes to its loan program manual to meet the new standards earlier in the month.

The village has about \$150,000 available in its loan fund. The money can be used for equipment, buildings and working capital, with a payback period of between two and 12 years.

Cady Schilling, who oversees the loan programs in the county and various municipalities, said there are signs the local economy is rebounding.

"I have had five inquiries about the loan program since January, not in this community, but it is an indication things may be improving in the county," she told village officials.