

Village offers incentives to developers

Written by Mark Jaeger
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Community Development Authority hopes cash will generate more interest in vacant lots, buildings

The Village of Saukville's Community Development Authority is continuing to search for innovative ways to give the sluggish real-estate market a jump start.

In January, the CDA agreed to slash the price of land in the village-owned Dekora Woods Business Park in half, to \$15,000 an acre when parcels of two acres or larger are purchased.

The village has 32 acres available in the business park, and hopes to acquire 28 additional acres.

Director of Planning and Development Brian Biernat told the Village Board the CDA is now offering cash incentives to forge partnerships with commercial real-estate brokers.

The latest strategy is being called the Broker Incentive Grant program, or BIG.

"The CDA is a strong proponent of planned development, particularly in the high-density, high-value commercial districts of the village bordering and adjacent to the freeway interchange at I-43 and Highway 33," Biernat said.

He said the incentive program will differentiate the village from other communities that have relied on tax incremental financing and business improvement districts to generate commercial interest.

No other communities in the state are offering what amounts to finder fees for developers, Biernat said.

"When Milwaukee 7 (the regional economic development consortium) area brokers think about the Village of Saukville, we want them to think BIG," he said.

Financial incentives — ranging from \$1,000 to \$5,000 — are being offered to developers who find buyers or long-term tenants to fill eight vacant properties.

The incentives total \$22,000 for properties ranging from 1,500 square feet on East Green Bay Avenue and North Progress Drive to 20,000-square-feet on East Milan

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Drive.

The incentive payments will be made when sales of vacant land are finalized or 60-month leases of any currently vacant commercial building are signed. A 24-month lease for vacant retail space would also trigger the incentive program.

As new construction or the redevelopment of current buildings occur, Biernat said, additional funding from the CDA might be needed. He said the program would be capped at \$100,000.

The occupancy of a building with 20,000 or more square feet will bring a \$5,000 BIG award. Construction of a new building adding \$1 million to the village tax base will bring an incentive payment of \$10,000.

A similar formula has been devised for residential development, with \$10,000 going to a broker who completes a deal to build multi-family housing or apartments that add at least \$3.5 million to the tax base.

To be eligible for the BIG incentives, the brokers cannot have an ownership interest in the buildings or land involved in the transaction.

As market interest grows in the village, Biernat said, the incentive program would be terminated.

He said the village staff will carefully study all proposals made under the BIG program, to ensure that money is not paid out until the village sees the promised development.

"I think this is an excellent opportunity, especially since no one else is doing it," said Village President Barb Dickmann after the grant concept was outlined for village officials.