

REDEVELOPMENT AUTHORITY OF THE CITY OF KAUKAUNA

City of Kaukauna
Council Chambers
Municipal Services Building
144 W. Second Street, Kaukauna



Thursday, May 04, 2023 at 9:00 AM

AGENDA

1. Roll Call.
2. Approval of Minutes
 - [a.](#) Approve Minutes from April 6, 2023 Meeting
3. New Business.
 - [a.](#) Renew Kaukauna Initiative - Update
4. Other Business.
5. Adjourn.

NOTICES

IF REQUESTED THREE (3) DAYS PRIOR TO THE MEETING, A SIGN LANGUAGE INTERPRETER WILL BE MADE AVAILABLE AT NO CHARGE.



REDEVELOPMENT AUTHORITY OF THE CITY OF KAUKAUNA

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 144 W. Second Street, Kaukauna



Thursday, April 06, 2023 at 9:00 AM

MINUTES

1. Roll Call.

Members present: Paul Hennes, Karl Kilgas, Quin Lenz, Julie Schroeder, Nicci Sprangers

Members Absent: Heather Hayes

Schroeder made a motion to excuse the absent member. Hennes seconded the motion. Motion passed unanimously.

2. Approval of Minutes

a. Approve Minutes from March 2, 2023 Meeting

Hennes made a motion to approve the minutes from March 2, 2023 meeting. Sprangers seconded the motion. The motion passed unanimously.

3. New Business.

a. Renew Kaukauna Initiative

Planning and Community Development Director Joe Stephenson presented a Forgivable Loan Program called Renew Kaukauna that targets the Commercial Core District. The City acquired ARPA funds and is looking for \$150k of those funds, and the Redevelopment Authority to match that to create a 300k grant program to renovate Façade, Interior, and Beautification downtown. Application approval is at the discretion of the Redevelopment Authority of the City of Kaukauna.

The initial terms for the Façade Improvement Program is a matched, forgivable loan up to \$15k. The project must be at least \$10k and the applicant must maintain ownership of the property for 10 years. If sold before 10 years, the loan must be paid back. There was question and concern that 10 year ownership may turn applicants away from the program. There was a suggestion that a portion of the loan could be forgiven for the first 5 years of ownership, and the rest would be forgiven in the 10th year. A sliding scale would also be an option for loan forgiveness.

Moving onto the Interior Renovation Program, this is a 1/3 matching forgivable loan up to \$15k. This program will help repair and replace noncompliant electrical,

plumbing, HVAC systems, or unsafe structural elements. There was comment that to qualify for interior renovation program, the exterior should meet code standards.

Finally, the Downtown Beautification Program is meant to beautify the downtown through the use of art and plantings. Murals are eligible for 100% funding up to \$2,500. Planters will be purchased by the city and available for business owners to request those in front of their building at a first come first served basis. In exchange for providing a planter in front of a business, the business would be responsible for watering and tending to the vegetation. The City would own and maintain the planters otherwise. Blade signs are eligible for a 50/50 cost share or up to \$500 grant, following city sign code.

Direction was given to PCDD Stephenson to edit the program with the suggestions mentioned and bring back in May 2023 for review.

b. Revolving Loan Application Review - Wellness 360

Associate Planner Lily presented a Revolving loan application requesting \$38,375 for a roof replacement at Wellness 360 located at 500 Lawe Street.

c. Revolving Loan Application Review - CO4 Workspace

AP Lily presented a Revolving loan Application requesting \$50k for the buildout of a café in CO4 Workspace located at 390 Farmland Drive. This application was also requesting 9 month deferred payments, and \$5k of the loan requested was marketing fees, which are ineligible.

d. Financial Update

The Redevelopment Authority currently has ~\$945k in cash and ~\$509k loaned out (not including what was approved today).

4. Closed Session.

a. Adjourn to Closed Session per Wisconsin State Statute 19.85 (1)(e) to discuss the disposition of public funds for Wellness 360

Motion made by Hennes to adjourn into closed session. Kilgas second the motion. The motion passed unanimously. Meeting adjourned to closed session at 9:40 AM.

b. Return to Open Session for Possible Action

Motion was made by Hennes, seconded by Lenz to return to open session. Motion passed unanimously. Meeting returned to open session at 9:46 AM.

A motion was made by Schroeder to approve a \$38,375 loan at 2% interest for 7 years, with a lien on the building, to Wellness 360 Roof Replacement. Hennes seconded the motion. Motion passed unanimously.

c. Adjourn to Closed Session per Wisconsin State Statute 19.85 (1)(e) to discuss the disposition of public funds for CO4 Workspace

A motion was made by Schroeder and seconded by Hennes to adjourn into closed session. Motion passed unanimously. Meeting adjourned to closed session at 9:47 AM.

d. Return to Open Session for Possible Action

A motion was made by Hennes and seconded by Kilgas to return to open session. Motion passed unanimously. Meeting returned to open session at 9:57 AM.

A motion was made by Sprangers and seconded by Hennes to approve a \$45k loan, 2% interest, for 7 years, 6 month deferred payments while still accruing interest, and a lien on the property to CO4 Workspace Café Build. The motion passed unanimously.

5. Other Business.

There was no other business.

6. Adjourn.

A motion was made by Hennes to adjourn the meeting. Kilgas seconded the motion. The motion passed unanimously. Meeting adjourned 9:58 AM.



RENEW KAUKAUNA

A Downtown Revitalization Program

Date: 1/1/2023

Author: City of Kaukauna:
Community Develop
Department

Overview

The City of Kaukauna is known for its vibrant history and a community of firsts. Kaukauna is lucky to have one of the most historic city cores and some of the oldest buildings in the state of Wisconsin. Sixty-Four (64) commercial buildings, between uptown and downtown, are over 100 years old and another dozen buildings are over 70 years old. The historic charm of the city's core is one of its greatest assets, but an old building needs a lot of work to remain usable and aesthetically pleasing.

Kaukauna has come to a crossroads where many of its downtown buildings are seeing their age. From façade degradation to interior neglect, the downtown is losing its vibrancy. The cost to repair an exterior historic building can often be 10's of thousands of dollars. Similarly, the cost to renovate and bring units up to code, in a 100+ year old building, is very cost prohibitive to many businesses. Business owners and building owners who just saw one of the largest economic downturns in US history, are not flush with thousands of dollars to renovate their buildings.

To revitalize and breathe new life into our downtown, the city needs to get serious about programs that will fix our aging buildings, reduce vacancies, provide code compliant units, and attract new foot traffic to the city's core.

The planning department took a walking tour and asked businesses about their perceptions of the downtown and if they believe investment in the buildings would help. The answer was a resounding "yes". Business owners are by and large concerned about the city's downtown health and a number of business owners stated they would use both façade improvement grants and interior renovation grants to improve their facility.

Planning staff proposes a three-pronged approach to "Renewing" Kaukauna's Commercial Core.

1. Façade Improvement Program (FIP)
2. Interior Renovation Program (IRP)
3. Downtown Beautification

Facade Improvement Program

The Façade Improvement Program (FIP) is a forgivable loan program to help renovate the exterior of historic buildings within the Commercial Core District. The program provides matching forgivable loans up to \$15,000.

Example:

| Total Project Cost | Maximum City Match | Private Match |
|--------------------|--------------------|---------------|
| \$30,000.00 | \$15,000.00 | \$15,000.00 |
| \$10,000.00 | \$5,000.00 | \$5,000.00 |
| \$40,000.00 | \$15,000.00 | \$25,000.00 |

- A. Eligible Properties: Properties that meet the following criteria may apply for FIP.
 - a. Properties Zoned Commercial Core District (CCD).
 - b. Properties built prior to 1950 and/or properties that are recognized as a contributing property on the State Historic Registry.
 - c. Total Project cost must be \$10,000 or more.

- B. Ineligible Projects and Expenditures: *See Additional Program Details*
- C. Eligible Projects:
- All projects shall be comprehensive and not partial projects. (Exemplified of comprehensive project: All masonry work on the front façade, all windows replaced, entire back façade renovation)
 - Repair or replace the following:
 - Existing siding.
 - Existing masonry work.
 - Historic architectural detail.
 - Gutters, soffit, fascia or trim
 - Roof, windows or doors
 - City of Kaukauna Redevelopment Authority reserves the right to approve or deny any project as it fits within the scope of this program. If scenarios outside the bounds of this program guide arise, the Redevelopment Authority shall make their best judgement in awarding project funding.
 - All exterior materials shall be replaced in kind and with like materials. If the applicant wishes to replace with not like materials the Redevelopment Authority shall approve the new materials on a case by case basis using the Secretary of the Interior's Standards for the Treatment of Historic Properties as a guide.
- D. The forgivable loan will be secured via a lien on the property. If the original applicant maintains ownership of the building for 10 consecutive years, the loan is forgiven. For the first 5 years of the loan, \$1,000 per year shall be forgiven. If the building were to sell before the 10-year period, the loan shall be paid back in its entirety, less any portion of the loan forgiven within the first 5 years.

Interior Renovation Program (IRP)

The Interior Renovation Program (IRP) is a forgivable loan program to help bring up to code the interior of historic buildings within the Commercial Core District. The program provides 1/3 matching forgivable loans up to \$15,000.

Example:

| Total Project Cost | Maximum City Match | Private Match |
|--------------------|--------------------|---------------|
| \$30,000.00 | \$10,000.00 | \$20,000.00 |
| \$10,000.00 | \$3,333.33 | \$6,666.67 |
| \$45,000.00 | \$15,000.00 | \$30,000.00 |

- A. Eligible Properties: Properties that meet the following criteria may apply for FIP.
- Properties Zoned Commercial Core District (CCD).
 - Properties built prior to 1950 and/or properties that are recognized as a contributing property on the State Historic Registry.
 - Total Project cost must be \$15,000 or more.
- B. Ineligible Projects and Expenditures: *See Additional Program Details*
- C. Eligible Projects:
- Repair or replace the following:
 - Noncompliant Electrical systems

- ii. Noncompliant Plumbing systems
- iii. Noncompliant HVAC systems
- iv. Historic architectural details
- v. Structural elements of the building deemed unsafe by the City's Building Inspector.
- vi. Interior walls, doors or floor that are dilapidated or in a state of disrepair.
- b. City of Kaukauna Redevelopment Authority reserves the right to approve or deny any project as it fits within the scope of this program. If scenarios outside the bounds of this program guide arise, the Redevelopment Authority shall make their best judgement in awarding project funding.
- D. The forgivable loan will be secured via a lien on the property. If the original applicant maintains ownership of the building for 10 consecutive years, the loan is forgiven. For the first 5 years of the loan, \$1,000 per year shall be forgiven. If the building were to sell before the 10-year period, the loan shall be paid back in its entirety, less any portion of the loan forgiven within the first 5 years.

Downtown Beautification

Downtown Beautification is a grant program meant to beautify the downtown through use of art and plantings.

- A. Eligible Properties: Properties that meet the following criteria may apply for FIP.
 - a. Properties Zoned Commercial Core District (CCD).
- B. Ineligible Projects and Expenditures: *See Additional Program Details*
- C. Murals: approved murals are eligible for 100% of the cost up to \$2,500. This amount covers all costs of the mural, from materials to payment of the artist.
- D. Planters: The City will purchase planters for the Commercial Core and place them in front of qualified business on a first come first serve bases. The flowers and vegetation within the planters will be maintained by the business owner while the planter itself remains the property of the City of Kaukauna and will be maintained by the City.
- E. Blade Signs: Blade signs, following the City's sign code, are eligible for a 50/50 cost share or up to a \$500 grant.

Ineligible Properties:

In addition to the eligibility outlined within each program, any property which has one or more of the following conditions shall be in ineligible for any of programs within this document.

- A. Any property where the owner or the property itself, is delinquent on any debt owed to the City of Kaukauna.
- B. Properties owned in part or in whole by tax exempt entities.
- C. Properties that have open code violations unless the funds are being used to correct a current code violation.
- D. Properties that do not meet existing fire code.
- E. Properties that have an open Renew Kaukauna loan or properties that have received Renew Kaukauna funds in the past 10 years, excluding any Downtown Beautification funds.
- F. Projects that do not employ professional labor.
 - a. Only projects that that employ professional labor shall be eligible for this program.

- b. Professional labor is considered work done by an individual who is trained and engaged in such work as a career.
- c. Painting and staining shall be exempt from this requirement.

Ineligible Expenditures:

All items listed below shall not be funded by this program.

- A. Projects that are completed or underway prior to Redevelopment Authority Approval.
- B. Purchasing of permanent equipment or tools.
- C. Demolitions of an entire structure or part of a structure that do not have a planned in-kind replacement.
- D. Organizations may not use this program to reimburse their own staff's labor expenses.
- E. Building additions or projects that are entirely demolition work.

Application Process:

1. Talk with Planning Staff to determine if you project is eligible.
2. Submit an application to the City of Kaukauna Planning Department.
 - a. Applications must be filled out in full and can be submitted any time of the year.
 - b. Completed applications will take 2 weeks to review and will be submitted to the next available RACK meeting for discussion and approval.
 - c. Applications that are not completed may take longer to review than 2 weeks.
 - d. The applicant must submit the following with the application:
 - i. Proof of insurance on the property
 - ii. Proof of ownership
 - iii. Bids from a qualified contractor – (Qualified Contractors being a company or individual who has the appropriate licenses active on the Wisconsin Department of Safety and Professional Services Divisions of Industry Services (DPS) website and that meet the qualifications of professional labor.)
 - iv. Most recent bank statements
 - v. Two years of tax statements
 - vi. Proof of personal financing for the remainder of the project amount
 - vii. Sites plans and or improvement visuals for the project.
 - viii. Signed Contract with selected qualified contractor.
3. **Inspection: Prior to RACK Review the applicant must schedule an inspection with the fire department, code enforcement office, and building inspector to determine if the building is up to code and if any funds need to be used in such repairs.**
4. RACK Review: the application will be presented to RACK for formal review. RACK will vote on whether or not to fund the project based on the above guidelines.
5. If the application is approved, a loan document will be drafted by the City of Kaukauna or it's legal consultant.
 - a. The loan document may take up to three weeks to draft.
 - b. Loan monies will be dispersed only after all documents have been signed and the applicant has spent their portion of the project money.
 - i. Expenses for the remaining work will be substantiated with invoices.

- ii. Using the invoices to indicate the remainder of the project cost, the city will make a one time payment to the applicant or contractor for the remainder of the project or the amount agreed to in the Loan.
- iii. The preference shall be to pay the contractor directly and the City reserves the right to determine if the contractor of applicant shall receive the funds.
- iv. All funds must be spent on the project and in no case should the funds be used for anything other than the project.
- v. In the event there is a costs savings on the project the City's portion of the remaining funds will be reduced.
- vi. In the event the project costs more than anticipated, it is the responsibility of the applicant to make up those remaining funds.

Budget

This initiative is funded by the American Rescue Plan Act allocation and Redevelopment Authority of the City of Kaukauna funds. While the below budget shall serve as a guide RACK reserves the right to alter allocations to each of the programs based on applicant need.

Total Budget: \$300,000

Façade Improvement Program: \$170,000

Interior Renovation Program: \$100,000

Downtown Beautification: \$30,000

