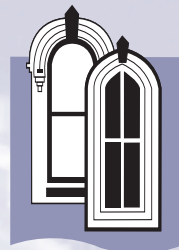


Why is Main Street Important?

- 1 Commercial districts are prominent employment centers.** Beloit's downtown commercial district employs over 2000 people, and is collectively the community's largest employer.
- 2 The commercial district is a reflection of community image,** pride, prosperity, and level of investment—critical factors in business retention and recruitment efforts.
- 3 Our Downtown represents a significant portion of the community's tax base.** If the district declines, property values drop, placing more of a tax burden on other parts of town.
- 4 The traditional commercial district is an ideal location for independent businesses, which in turn:**
 - Keep profits in town
 - Support local business, local families, and community
 - Provide an extremely stable economic foundation, as opposed to a few large businesses and chains with no ties to stay in the community
- 5 Downtown Beloit is the historic core of the Beloit community.** Its buildings embody the community's past and its visual identity.
- 6 A historic commercial district is often a major tourist attraction.** When people travel or shop, they want to see unique places—especially ones that offer a unique shopping "experience."
- 7 A vital Main Street area reduces sprawl** by concentrating retail in one area and uses community resources wisely, such as infrastructure, tax dollars, and land.
- 8 A healthy Main Street core protects property values** in surrounding residential neighborhoods
- 9 The commercial district offers convenience.** Downtown Beloit is within walking distance of Beloit College and residential areas, providing easy accessibility for the community.
- 10 The district is usually a government center** city hall, municipal buildings, and the post office are located in our downtown. It is an important service center as well for finding attorneys, physicians, insurance offices, and financial institutions.
- 11 Main Street provides an important civic forum, where members of the community can congregate.** Parades, special events, and celebrations held there reinforce intangible sense of community.
- 12 The commercial district represents a huge public and private investment.** Imagine how much it would cost to re-create all of the buildings and public infrastructure in our downtown.

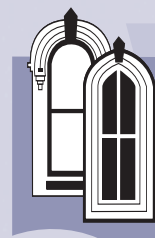


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DOWNTOWN
BELOIT

2006 ANNUAL REPORT



DOWNTOWN
BELOIT

The Main Street Four-Point Approach™ to commercial district revitalization

The Main Street Approach is a community-driven, comprehensive methodology used to revitalize older, traditional business districts and the underlying premise is to encourage economic development within the context of historic preservation in ways appropriate to today's marketplace. Main Street advocates the rebuilding of traditional commercial districts based on their unique assets: distinctive architecture, a pedestrian-friendly environment, personal service, local ownership, and a sense of community.

THE FOUR POINTS The National Trust Main Street Center offers a comprehensive commercial district revitalization strategy that has been widely successful in towns and cities nationwide. Described below are the four points of the Main Street approach which work together to build a sustainable and complete community revitalization effort.

- 1 Organization** involves getting everyone working toward the same goal and assembling the appropriate human and financial resources to implement a Main Street revitalization program. A governing board and standing committees make up the fundamental organizational structure of the volunteer-driven program. This structure not only divides the workload and clearly delineates responsibilities, but also builds consensus and cooperation among the various stakeholders.

The Downtown Beloit Association

is a collaboration of property owners, business people and community volunteers who have jointly committed to the mission of revitalizing and managing Beloit's Central Business District, utilizing the Main Street Four-Point approach as established by the National Trust for Historic Preservation.

- 2 Promotion** sells a positive image of the commercial district and encourages consumers and investors to live, work, shop, play and invest in the Main Street district. By marketing the district's unique characteristics to residents, investors, business owners, and visitors, an effective promotional strategy forges a positive image through advertising, retail promotional activity, special events, and marketing campaigns carried out by local volunteers. These activities improve consumer and investor confidence in the district and encourage commercial activity and investment in the area.
- 3 Design** means getting Main Street into top physical shape. Capitalizing on its best assets—such as historic buildings and pedestrian-oriented streets—is just part of the story. An inviting atmosphere, created through attractive window displays, parking areas, building improvements, street furniture, signs, sidewalks, street lights, and landscaping, conveys a positive visual message about the commercial district and what it has to offer.
- 4 Economic Restructuring** strengthens a community's existing economic assets while expanding and diversifying its economic base. The Main Street program helps sharpen the competitiveness of existing business owners and recruits compatible new businesses and new economic uses to build a commercial district that responds to today's consumers' needs. Converting unused or underused commercial space into economically productive property also helps boost the profitability of the district.

Coincidentally, the four points of the Main Street approach correspond with the four forces of real estate value, which are: social, political, physical, and economic.

Four Point

Approach to Main Street Revitalization



DOWNTOWN
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1 ORGANIZATION

Annual budget: \$164,834

Business Improvement District Assessments Account for 61% of Revenue Budget.

39% of Revenue Budget is Fundraising, Business Sponsorships, Grants, Investments and Savings.

Additional Funds Not in Formal Budget—

Community Development Block Grant Funds are used for Downtown Development projects such as Upper Floor Housing and the Downtown Redevelopment Plan

2006 Board of Directors

Chairman of the Board **Don Tinder**

Rock Valley Community Programs

Vice Chairman **Brad Austin**

Corporate Contractors, Inc.

Treasurer **Aron Bussan** First National Bank

Secretary **Betsy Schmiechen**

The Villager Gallery & Frame Shop

Samira Bourkadi M&I Bank

Jason Braun Brunton Motors

Todd Colling Beloit Daily News,
Past Chairman

Jim Egan Kerry Americas

Peter Gabriele La Casa Grande, Domenico's

Terry Monahan Beloit City Council

Tim McKearn Beloit College

Elaine Ribarich Blackhawk Bank

Jeff Sennett T&T Sports

Andrew Janke Ex-Officio, City of Beloit

Note: Doug Eddy of Eddy Enterprises, LLC
served as Chairman through March 2006.

Staff

Kathleen Braatz Executive Director

Jeffrey Hohn
Streetscape Coordinator and Farmers Market
Manager May through November

Levi Cousin
Program Coordinator, Beginning Mid-July.

2 PROMOTION

The Downtown Beloit Association hosts over 40 events throughout each year including:

St. Patrick's Day Parade • ArtWalk • Farmers Market
Fridays in the Park • Celebrate Weekend:
Street Dance & Sidewalk Sale • Halloween
Grand Lighted Holiday Parade • Holidazzle!

2006 Highlights:

ArtWalk Over 90 artists filled more than 30 locations downtown and drew attendees from as far as Milwaukee.

Celebrate Weekend 2500 people attended Street Dance, with ticket sales up 30% from 2005. Sidewalk Sale peaked Saturday with over 100 vendors, including area artists, slated on the street.

Fridays in the Park An average of 200 people joined us each week for lunch and live music in the First National Bank Plaza. During the 15 weeks a total of 2823 lunches were served, a 9% increase over 2005.

Farmers Market The market has grown 67% in the past two years with 72 vendors participating in 2006 (not including non-profits) compared to 43 in 2004. Peak harvest weeks brought well over 60 vendors to the market.

Holidazzle! 70 artists and specialty craftspeople filled close to thirty locations. More than 10 live music venues and 4 after-hours music venues ranged from blues to Celtic rock to a sing-along at the grand piano in the Beloit Inn lobby. Received a Main Street Award in 2005 from the Governor and Wisconsin Department of Commerce.

3 DESIGN

Ongoing consultations with property owners and businesses promote historically sensitive, successful design for façades and signage. Continued investment in and care of the streetscape welcomes play and commerce.

2006 Highlights:

2 sign grants and 1 façade grant were awarded to encourage quality investment in the downtown streetscape.

29 Urns and 50 hanging baskets were planted and placed through the main corridors of downtown for the community to enjoy.

Over 100 holiday light forms graced the streets of downtown through the holiday season.

Ongoing consultations with property owners promoting historically sensitive, successful design for façades and signage.



4

ECONOMIC RESTRUCTURING

We're Building Value in Downtown Beloit!

The current property value in the district totals \$46,846,200, representing a Valuation Growth of 176% in 18 years, an average of 10% per year.

2006 Highlights:

Regal Beloit Expansion and Building Addition; 27,500 square feet; 15 new jobs created; \$4,000,000 investment.

Heritage View 3-story, 5-level, 48,000 square foot mixed-use development on the Rock River; 14 condominiums; 3 new businesses; new jobs TBD; \$3,500,000 investment.

Kerry Americas Expansion into the Ironworks Complex; 36,000 square feet; 2 new jobs created; \$500,000 investment.

Ace Hardware Plans for relocation to downtown continue. All buildings on the Broad Street site have been acquired by the City; businesses have been relocated, two of the three remain in the district. Construction to begin in spring 2007.

Community Initiated Development Project for 328 State Street, formerly known as Woolworth's. Historic restoration of façade and building stabilization; \$315,250 investment. Completion expected winter 2007 with marketing to developers through RFP process to follow.

Upper Floor Housing Initiative 22 properties now have architectural renderings showing the upper floor's potential as apartments or condos. 110 West Grand began build-out for 2 units in 2006. Co-Development Team is facilitating a plan to reach out to local industry to quantify the need for suitable corporate housing, and gain tangible support to encourage build-out of these spaces for short to long-term executive rentals.

\$9,159,724 in Private Investment

**Wisconsin State Fiscal Calendar Year
July 2005-June 2006:**

7 Businesses Opened/5 Net Gain
17 New Jobs/10.5 Net Gain

