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MEDIA RELEASE

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Contact: Kate Venne, WHEDA, 608-334-4609

WHEDA Announces \$14 Million For Renovation, Expansion of Red Crown Lodge

New Markets Tax Credits to enable year-round resort operations, create jobs

Minocqua, Wis. – The Wisconsin Housing and Economic Development Authority (WHEDA) today announced that Red Crown Lodge, a lakeside resort which has provided lodging and amenities catering to corporate retreats in Arbor Vitae, WI, will be awarded \$14 million in New Markets Tax Credits (NMTC) from the Wisconsin Community Development Legacy Fund (WCDLF) to renovate, expand operations of its facilities. WHEDA Executive Director Antonio Riley made the announcement on behalf of Governor Doyle while in town during the Governor's annual trip to Wisconsin's Northwoods. Riley was joined by Tourism Secretary Kelli A. Trumble.

The tax credits announced today will help Red Crown Lodge finance renovations enabling the resort to expand operations to year-round, increasing job opportunities and economic benefits to the local community. U.S. Bancorp Community Development Corporation is purchasing the tax credits from WCDLF, a Community Development Entity comprised of WHEDA, Impact Seven and Legacy Bancorp, which will provide low-cost financing and equity to support Red Crown Lodge.

"This New Markets Tax Credit investment will allow the Red Crown Lodge resort to not only bring in more employment and economic activity opportunities to Vilas County, it will also allow ownership to open this exclusive property for public use," said Executive Director Riley. "Tourism is one of the core strengths of our state's economy, and this will go a long way toward supporting the livelihood of this historic resort and the surrounding community."

Red Crown Lodge is located on a 10.31 acre parcel of land with more than 1,000 feet of frontage on Vilas County's prestigious Trout Lake. The resort is currently open from May through October each year and consists of a main lodge, four guest lodges with 38 guest rooms, a recreational building, a large Harvard style classroom and conference center, and other modern amenities.

Planned site improvements include adding twelve new guest suites, expanding the main lodge, building an indoor dining and banquet hall, expanding the current kitchen facilities, building a lakeside galleria and terrace to house indoor and outdoor entertainment, and modernizing the recreation center. When the renovation is complete in 2013, Red Crown will be open year-round to both corporate and non-corporate clients for the first time.

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After the expansion and renovation, Red Crown will employ approximately 10 full time year-round positions, four full-time seasonal positions and 20 part-time year-round positions. The resort currently employs three full-time year-round positions, eight full-time seasonal positions and 15 part-time seasonal positions. The renovation and new construction of the facilities will also create approximately 25 direct construction jobs, with an average annual wage over \$31,000.

“The Northwoods of Wisconsin has long been recognized as a top destination in the Midwest, and Red Crown Lodge has a reputation as one of the finest resorts this region has to offer,” said Department of Tourism Secretary Kelli A. Trumble. “With year-round operations that can leverage the Northwoods’ world class outdoor winter activities such as snowmobiling and cross country skiing, the resort will be able to diversify its business, create additional jobs and grow the tourism economy for the area.”

Red Crown Lodge has been owned by Madison-based real estate developer Robert Dunn and his family since 2001. Dunn was the first owner to open the property’s doors to corporations, professional organizations, groups and business leaders outside the oil industry. Standard Oil Company of Indiana established resort in the early 1920’s as a place where executives and clients could gather in a relaxing atmosphere. For more than 80 years – through management transitions from Standard Oil to Amoco to British Petroleum (BP) – Red Crown was the preferred meeting location for one of the world’s largest corporations.

Red Crown Lodge is the third hotel or resort in Wisconsin to be awarded New Markets Tax Credits from WHEDA. In 2008, two Milwaukee-based hotels, Iron Horse Hotel and Aloft Hotel, received tax credit allocations totaling \$31 million, creating 155 permanent jobs and 375 construction jobs.

WCDFL is a Community Development Entity responsible for overseeing statewide distribution of federal New Markets Tax Credits. To date, WCDFL has deployed over \$241 million in New Markets from its past allocations into 24 projects, which created over 5,054 direct permanent jobs, 5,152 permanent jobs in related businesses and 4,292 temporary construction jobs. WHEDA and Legacy Bancorp formed WCDFL in 2004 to successfully obtain the federal tax credits.

About WHEDA

WHEDA is an independent state authority that works with lenders to provide low-cost financing for housing and small business development in Wisconsin. Under this Administration, WHEDA has written over 25,000 mortgages totaling \$2.5 billion. On the multifamily side, WHEDA has allocated over \$1.4 billion in Low Income Housing Tax Credits and financing to create over 20,300 units of affordable housing. WHEDA has also provided over \$112 million in agricultural financing for Wisconsin farmers. For more information about New Markets Tax Credits or other WHEDA programs, visit www.wheda.com or call 1-800-334-6873.