

# **WHEDA EMERGING BUSINESS PERFORMANCE REPORT**

**2011 WHEDA Tax Credit Awards Cycle**  
*For the period ending December 31, 2013*



A Message from:  
**EXECUTIVE DIRECTOR WYMAN B. WINSTON**

**A**s part of its overall mission to boost Wisconsin's economy, the Wisconsin Housing and Economic Development Authority (WHEDA) utilizes its **Emerging Business Program** to help create and retain jobs. WHEDA remains proud of its honored reputation of being Wisconsin's housing leader for over four decades. To help strengthen Wisconsin's economy, WHEDA continues to operate its economic development activities at the same high priority level as our pledge to housing.

The Emerging Business Program is just one of the many critical economic development tools WHEDA has at its disposal to increase business development and job creation. This program focuses on businesses that are small, disadvantaged or operated by minorities or women, placing them on the path to success by aligning them with WHEDA's developer partners.

Developers awarded **Low-Income Housing Tax Credits (LIHTC)** or **New Markets Tax Credits (NMTC)** by WHEDA hire emerging businesses to work on their properties. In addition, WHEDA encourages developers to employ unemployed or underemployed individuals living in the communities where the WHEDA-financed properties are being built. Like me, our partners should be delighted to know the concept is working and it is a formula that is producing positive results in communities all across Wisconsin.

The latest performance data for the 2011 tax credit cycle includes NMTC for the first time. During the 2011 cycle, WHEDA realized a 25% average Emerging Business Program participation that resulted in \$35.4 million in total Emerging Business contracts. Of the 30 developments that received WHEDA tax credits in 2011, 23 met or exceeded our Emerging Business Program percentage participation goals. There were 260 workforce participation hires at these same developments for the 2011 tax credit cycle.

This performance report contains highlights, information and data about WHEDA's Emerging Business Program. The report documents the vital progress the program is making and the positive effect being made to jump-start local economies. These collaborative efforts are helping Wisconsin to continue on a path to economic revival. Through the Emerging Business Program and the support of our developer partners, WHEDA is excited to play a pivotal role in the process.

# WHEDA EMERGING BUSINESS PROGRAM (EBP)

## PROGRAM OVERVIEW

### PROGRAM PURPOSE

The **Emerging Business Program** (EBP) was created by the Wisconsin Housing and Economic Development Authority (WHEDA®) in an effort to increase job opportunities in Wisconsin communities.

The EBP encourages WHEDA developer partners to hire certified emerging businesses and local residents for the construction of commercial properties as well as for various professional services such as accounting, architecture and legal counsel. To foster the program, WHEDA offers a variety of resources to support the development, involvement and utilization of economically disadvantaged businesses and workers in Wisconsin.

### EMERGING BUSINESS PARTICIPATION

As WHEDA does not certify emerging businesses, in order to be eligible to participate in the program, an emerging business must have one of the following certifications administered by a local, state or federal organization listed below.

#### Accepted emerging business program certifications:

- **8(a) Small Disadvantaged Business (8a)** - Small Business Administration/Wisconsin office
- **Disadvantaged Business Enterprise (DBE)** - Wisconsin Department of Transportation (DOT), Milwaukee County Community Business Development Partners or City of Madison
- **Disabled Veteran Business Enterprise (DVB)** - Wisconsin Department of Administration (DOA)
- **Minority Business Enterprise (MBE)** - Wisconsin Department of Administration (DOA), Wisconsin Supplier Development Council or City of Madison
- **Service-Disabled Veteran Owned Small Business (SDVOSB)** - US Department of Veterans Affairs
- **Small Business Enterprise (SBE)** - City of Madison, City of Milwaukee
- **Veteran-Owned Business (VOB)** - State of Wisconsin, Department of Veterans Affairs
- **Women Business Enterprise (WBE)** - Wisconsin Department of Administration (DOA) or City of Madison

### WORKFORCE DEVELOPMENT PARTICIPATION

Another component of the EBP is workforce development. Workforce development participation seeks to train and hire local workers for the construction of WHEDA-financed properties. WHEDA aims to help program participants attain living wage jobs through opportunities for long-term employment, apprenticeships and/or other job training programs related to work experience in a trade. Unemployed or underemployed individuals may qualify for workforce development participation if their household income is at or below 80% of their county's median income. These income limits are established by the US Department of Housing and Urban Development (HUD) for the Section 8 Program.

## PERFORMANCE REPORT

## WHEDA TAX CREDIT PARTICIPATION

Developers that receive federal **Low-Income Housing Tax Credits** (LIHTC) or federal **New Markets Tax Credits** (NMTC) through WHEDA are encouraged to participate in the EBP.

**WHEDA's LIHTC program** encourages private investment in the development and rehabilitation of rental housing for low- to moderate-income families, seniors and persons with special needs. WHEDA allocates and administers LIHTCs throughout the state to help developers achieve affordable rents.

**WHEDA's NMTC program** serves as a resource to help fuel job creation and economic development efforts by promoting equity investment in low-income urban and rural communities. WHEDA awards NMTCs to enhance financing for projects in highly distressed areas throughout Wisconsin that have demonstrable community impact.

In exchange for these tax credits, developers are measured by WHEDA on the utilization of emerging businesses for a property's hard costs for planning, design and construction. Developers awarded tax credits are also encouraged to participate in local workforce development by hiring individuals from the very neighborhoods where WHEDA-financed developments are being constructed.

## MEASUREMENT OF PROGRAM SUCCESS

Developers awarded tax credits submit reports and documentation to WHEDA throughout the construction process to demonstrate their effort to meet program goals.

Participation goals vary by county and are based on percentages of allowable construction costs such as fees for architecture, electrical, general contracting, landscaping, masonry and trucking. As a result, WHEDA encourages developers awarded tax credits to hire emerging businesses to work on the properties in Wisconsin counties wherever possible.

### Emerging business participation goals by county:

- **25% participation** per project for Dane, Jefferson, Kenosha, Milwaukee, Ozaukee, Racine, Rock, Sheboygan, Walworth, Washington or Waukesha Counties
- **15% participation** per project for Brown and Outagamie Counties
- **10% participation** per project for Dodge and Fond du Lac Counties
- **5% participation** per project for all other counties on a voluntary basis

### Workforce development participation goals:

All counties participating in the EBP are encouraged to hire 12 unemployed or underemployed individuals living in the county or zip code where the developments are located.

## AVAILABLE RESOURCES

WHEDA has EBP resources online and in person to help developers locate, qualify and hire emerging businesses and local construction workers to meet their specific project needs. WHEDA offers:

- **Training** for emerging businesses on the rules, regulations and requirements associated with tax credit developments;
- **Information sessions** for developers, general contractors and construction managers to understand WHEDA's EBP process and program requirements;
- **Networking opportunities** for emerging businesses and developers to connect; and
- **Outreach plans and tracking tools** to easily and consistently report on EBP participation.

The **Wisconsin Department of Workforce Development** and **Department of Children and Families** also offer resources to help match employers with qualified, local job applicants:

### ■ **Skill Explorer** by the Department of Workforce Development

**Skill Explorer** is a free online resource that enables employers and job seekers to search for each other based on specific job requirements and skill sets.

Candidates can post work applications and resumes online as well as access employment opportunities, job center services, and other occupational resources. In turn, employers can post their job openings, search for potential candidates and access labor market data. Visit [skillexplorer.wisconsin.gov](http://skillexplorer.wisconsin.gov) for more information.



### ■ **Transform Milwaukee Jobs** by the Department of Children and Families

**Transform Milwaukee Jobs** is a workforce development program targeted to increase economic stability and job development in the Transform Milwaukee initiative area. The program assists eligible unemployed parents and low-income workers who are between 18 and 25 years old obtain job training and skill enhancement through subsidized employment.

For more information, please contact **Mikal Wesley**, **Transform Milwaukee Jobs Program Manager** at 414.227.3879 or email at [mikal.wesley@wisconsin.gov](mailto:mikal.wesley@wisconsin.gov).



wisconsin department of  
**children + families**

## SUMMARY

The EBP strives to bring developers and emerging businesses together to build strong communities through economic development and job creation. Program results and successes of the 2011 WHEDA tax credit award cycle for the period ending December 31, 2013 are reflected in this report. As the EBP continues to grow and improve local economies, WHEDA will develop more opportunities for developer participation in the EBP with other WHEDA financing products. To learn more about the program or get involved, please visit [www.wheda.com](http://www.wheda.com) or call **Jesse Greenlee**, **Emerging Business Program Manager** at 414.227.4348.

# EMERGING BUSINESS PROGRAM (EBP) PARTICIPATION

Performance by development for the 2011 WHEDA Tax Credit Cycle

For the period ending December 31, 2013

WHEDA measures emerging business participation during a two year construction cycle. LIHTCs and NMTCs awarded to WHEDA developer partners in 2011 have until December 31, 2013 to complete construction of a development receiving tax credits. The emerging business participation performance numbers presented in this report are for WHEDA's 2011 tax credit awards for developments that completed construction by December 31, 2013.

## 2011 LIHTC Project Summary

Development	Developer	County	EBP Participation Goal	EBP Participation Achieved	Workforce Development Hires <sup>1</sup>	Tot. Emerging Business Contracts
Arbor Green Silvercrest, LLC	Bear Development	Kenosha	25%	26%	4	\$809,038
Beloit Road Senior Housing	CDA of the City of West Allis	Milwaukee	25%	54%	6	2,637,597
Bradley Crossing	General Capital Group	Milwaukee	25%	27%	11	2,037,591
Bradley Place Townhomes	Prairie Management & Development	Milwaukee	25%	9%	9	430,423
Brewery Point Apartments	CommonBond Communities	Milwaukee	25%	33%	12	1,833,774
Fair Acre Townhomes	Keystone Development, LLC	Winnebago <sup>2</sup>	5%	6%	1	367,072
Florist Gardens Apartment	CommonBond Communities	Milwaukee	25%	32%	12	985,599
Grand Avenue Lofts Group, LLC	Vanguard Development	Milwaukee	25%	45%	12	1,560,309 <sup>3</sup>
Heritage Middleton	MSP Real Estate, Inc.	Dane	25%	33%	3	1,834,158
Indianhead Cottages	Commonwealth Development Corporation	Marathon <sup>2</sup>	5%	10%	7	310,000
Kenwood Senior Living	Keystone Development, LLC	Fond du Lac	10%	10%	1	233,400
King Drive Commons IV	Martin Luther King Economic Development Corp.	Milwaukee	25%	42%	14	3,084,661
La Corona	Wisconsin Housing Preservation Corp	Milwaukee	25%	50%	4	941,888
Lindsay NSP	Brinshore Development, LLC	Milwaukee	25%	71%	15	3,289,126
Maria Linden	General Capital Group	Milwaukee	25%	36%	13	3,058,131
Northside Neighborhood Initiative	Gorman & Company, Inc.	Milwaukee	25%	34%	32	1,764,330

Development	Developer	County	EBP Participation Goal	EBP Participation Achieved	Workforce Development Hires <sup>1</sup>	Tot. Emerging Business Contracts
Oak Grove Redevelopment	Oak Grove Redevelopment, LLC	Dodge	10%	3%	4	62,146
Parkview Gardens II	Parkview Affordable Housing Partners, PG2	Racine	25%	25%	14	506,566 <sup>3</sup>
Parkview III	Parkview Affordable Housing Partners III, LLC	Racine	25%	25%	17	1,826,647 <sup>3</sup>
Pheasant Ridge Apartments	The Alexander Company, Inc.	Dane	25%	30%	13	766,786
Pleasant View Townhomes	Commonwealth Development Corporation	Sheboygan	25%	12%	10	398,008
Ridge Court Apartments	Burke Development Group	Sheboygan	25%	27%	11	566,780
The Fountains of West Allis	Keystone Development, LLC	Milwaukee	25%	25%	1	263,576
Trinity Artist Square & Townhomes	Commonwealth Development Corporation	Fond du Lac	10%	14%	18	699,904
Village on Water	NEWCAP, Inc.	Winnebago <sup>2</sup>	5%	4%	4	234,630 <sup>3</sup>
Western Townhomes	Commonwealth Development Corporation	Winnebago <sup>2</sup>	5%	9%	12	789,477
Wilkinson Manor <sup>4</sup>	Crown Court Properties, Ltd.	Waukesha	5%	5%	0	144,640
			<b>Avg EBP Participation:</b>	<b>26%</b>	<b>Total EBP Hires: 260</b>	<b>\$31,436,256</b>

## 2011 NMTC Project Summary

Development	Developer	County	EBP Participation Goal	EBP Participation Achieved	Workforce Development Hires <sup>1</sup>	Tot. Emerging Business Contracts
Marriott Milwaukee Hotel	Wisconsin & Milwaukee Hotel, LLC	Milwaukee	25%	15%	42	\$3,967,805 <sup>3</sup>
			<b>Avg EBP Participation:</b>	<b>15%</b>	<b>Total EBP Hires: 42</b>	<b>\$3,967,805</b>

(1) In September 2011, WHEDA began measuring workforce development hires as part of its Emerging Business Program. Developer partners engaged in the EBP are encouraged to hire local residents for their developments that are under construction. WHEDA's Workforce Development participation goal is to hire 12 unemployed or underemployed individuals living in the county or zip code where the development is located.

(2) Participation in WHEDA's Emerging Business Program in these counties is voluntary with a 5% participation goal per development.

(3) As of February 1, 2014, these developments were in the process of issuing final payments to subcontractors; therefore, the participation data reported for this development is not final.

(4) Wilkinson Manor is located in a county with an Emerging Business Participation Goal of 25%; however, due to program changes, this development received a waiver for a 5% participation goal and no Workforce Participation requirement.

# EBP PARTICIPATING EMERGING BUSINESSES

A listing of emerging businesses hired for the construction of developments awarded tax credits from WHEDA in 2011.

1-800-Pro-Painter	F & H Drywall, LLC	Ojibwa Ready Mix
A & M Flooring Installation	Finishing Touch Cleaning Service	P L Freeman Company
A & A Plumbing of Milwaukee	Fischer Construction ,LLC	Patulski Concrete & Masonry, LLC
ADS Disposal Services	FJ Lincoln, LLC	Power Control, LLC
Advanced Restoration, Inc.	Floor 360, LLC	Price & Sons, Inc.
Advantage Flooring & Design, LLC	Foust Foundations, Inc.	Professional Construction, Inc.
Affirmative Supply Co., Inc.	Franklin Trucking, Inc.	Pyramid Electric Company LLC
All American Electric & Power, LLC	George Harris Trucking	R & H Overhead Doors, LLC
All Country Electric Supply, Inc.	Gestra Engineering, Inc.	R D Woods Company, Inc.
Amigo Construction, LLC	Gibraltar Landscape & Construction	Rams Contracting, LTD
Arciniega Drywall	Gordon Solutions, LLC	Regency Janitorial Service, Inc.
Arteaga Construction, Inc.	Guin's Trucking	Rodriguez Construction Corporation
ASC Insulation & Fireproofing, Inc.	Hawk Construction	Ron's Carpeting & Services, Inc.
Aztec Plumbing	Heider & Bott Company	Royalty Roofing
B & D Contractors, Inc.	Heritage Ready Mix	RT Materials
Beautiful Cleaning	Hero Plumbing, LLC	RTK Construction
Bedrock Sewer & Water, Inc.	Hiram Power Electric	Sanchez Painting & Decorating
Belonger Corporation	Hopwood Masonry, Inc.	SDC Drywall, Inc.
Black Diamond Group, Inc.	Horner Plumbing Co., Inc.	SJ Stanley Trucking
BYCO, Inc.	Hurt Electric	Sonag Company, Inc.
C A Reid Construction, LLC	HVA Products, Inc.	Sonag Ready Mix, LLC
CDR Landscaping & Construction	Ideal Homes, Inc.	Straightline Grading & Excavating
Cisco Distributing, LLC	InfoCor	Sustainable Engineering Group, LLC
CJ Investments, Inc.	J F Cook Co., Inc.	Thomas A Mason Company, Inc.
Crowley Construction Corp.	JCP Construction, LLC	TL Reese Electrical Systems, LLC
Dairyland Electric	Kasper Construction, LLC	Universal Housing Systems, LLC
Dakota Intertek Corp.	Kujawa Enterprises, Inc.	Urban Construction
Dekoven Enterprises, LLC	Master Repair Water	Administration, Inc.
DV Services, LLC	Restoration Company, Inc.	Valley North Distributing, Inc.
Electrical Testing Solutions	Midwest Roofing & Construction, Inc.	Ward Welding and Fabrication, Inc.
Express Insulation, Inc.	Northern Exposure Landscaping, Inc.	Watry Homes, LLC
Extreme Exteriors, Inc.	Nuvo Construction Company, Inc.	White Glove Environmental



## WHEDA AND COMMONWEALTH PARTNER FOR FOND DU LAC'S REDEVELOPMENT VISION

**B**efore the **Trinity Artist Square and Townhomes** could be built as part of Fond du Lac's arts and entertainment district, the unique development faced some serious challenges. Both of the redevelopment sites had contamination and needed to be cleaned up. One site was blighted and the other was an old, vacant church.

"There really weren't that many ideas of what to do with this unused area," said Marissa Downs, senior vice president of Commonwealth Development

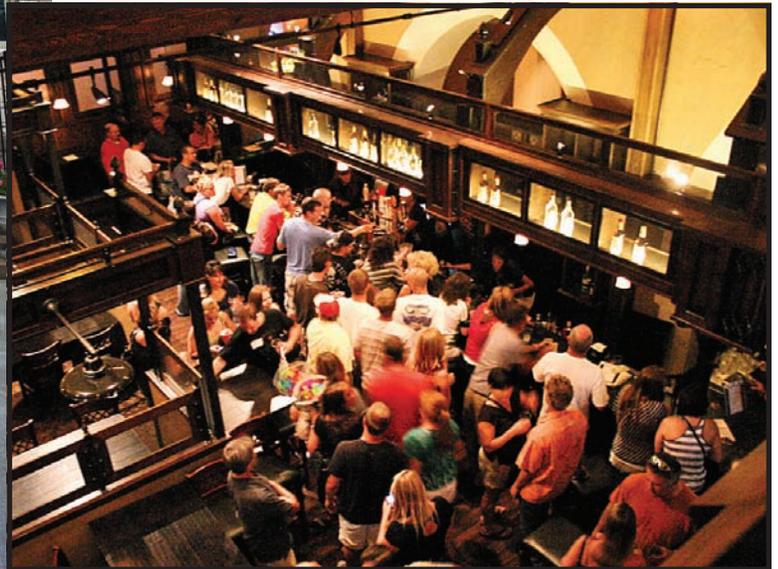
Corporation in Fond du Lac. The city had a tremendous desire for a development that would serve as a catalyst in promoting local arts and entertainment. "Someone has to come out and do this project," thought Downs.

Commonwealth saw this project as a great opportunity and stepped up to the challenge to redevelop this underutilized section of Fond du Lac to construct Trinity Artist Square and Townhomes - a 35-unit housing complex that also features a restaurant and art gallery.



Low-Income Housing Tax Credits to the project. In addition, the Wisconsin Economic Development Corporation (WEDC) supplied a Brownfield grant and the city of Fond du Lac provided financing. Construction for Trinity Artist Square was completed by Commonwealth in November of 2012.

WHEDA's Emerging Business Program (EBP) also played an important role in the development. Under the EBP program, developers that are awarded Low-Income Housing Tax Credits are encouraged to



The vacant church was converted into a restaurant and six housing units. The stained glass from the old church was preserved and offered the inspiration to also add an art gallery featuring rotating exhibits allowing local artists the opportunity to display their work for downtown residents and visitors to enjoy. Another 29 rental units were built on a second site nearby.

"You drive by and you say, 'Oh, what's that.' You have the architectural design of the six-unit building right next to the restaurant. It's a cool site to see. It grabs attention," said Downs.

In 2011, WHEDA allocated over \$682,000 in

employ emerging businesses to work on WHEDA-financed properties. WHEDA also urges developers to hire unemployed or underemployed individuals living in the communities where the rental housing is being built.

WHEDA's EBP participation goals for Trinity Artist Square were to have 10% of the development's construction costs provided by emerging businesses and to hire 12 individuals living in the Fond du Lac area to work on the project. Commonwealth exceeded WHEDA's EBP goals by awarding 14% of allowable construction costs, or nearly \$700,000 in contracts, to emerging businesses and having 18 local workforce hires.

"We are always committed to using Emerging

Businesses in our construction,” said Downs. “We do it, not because it’s a policy, but because it makes great business sense to utilize these firms.”

Downs supports the Low-Income Housing Tax Credit program, saying that without it, there is no Trinity Artist Square and Townhomes. Citing the fully-staffed restaurant with 14 full-time and 8 part-time employees, Downs says that from an economic development perspective, the tax credits create more jobs than just construction.

There have been rave reviews for the project thus far. Trinity is a catalyst development living up to its goal of providing living and working space that enhances the cultural impact artists offer to Fond du Lac.

“As a result of Trinity Artist Square and Townhomes, we are seeing additional development in the downtown area,” said Downs. “The community can actually see what’s happening in Fond du Lac. It’s pretty dynamic.”

## FAST FACTS: TRINITY ARTIST SQUARE AND TOWNHOMES

- Scattered site development with a mix of townhomes and artist lofts
- All housing units have attached garages and separate entrances
- Townhomes feature multiple floor plans with basement and porch choices
- Specific units have studio space to support a live/work option for area artists
- Located in the heart of Fond du Lac’s art and entertainment district
- Development features a public art gallery and a restaurant
- Within walking distance of the YMCA, the Boys and Girls Club and public transportation



## CONTACT US

WHEDA's **Emerging Business Program** is a powerful catalyst for creating better opportunities and communities. Emerging businesses and developers are encouraged to take advantage of all WHEDA has to offer. To learn how WHEDA can help your business and your community grow, visit [www.wheda.com](http://www.wheda.com) or contact:

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