



# WHEDA EMERGING BUSINESS PERFORMANCE REPORT

2012 WHEDA Tax Credit Awards Cycle  
*For the period ending December 31, 2014*



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

**T**he **Wisconsin Housing and Economic Development Authority's (WHEDA) Emerging Business Program (EBP)** was created to encourage the involvement, utilization, and development of economically disadvantaged businesses in the state of Wisconsin. By focusing on businesses that are small, disadvantaged, or operated by minorities, women or veterans, the program helps such organizations provide better job opportunities in their own communities.

The EBP connects the aforementioned business with developers awarded **Low-Income Housing Tax Credits (LIHTC)** or **New Markets Tax Credits (NMTC)**. Developers hire emerging businesses to work on their WHEDA-financed properties. WHEDA also encourages them to hire unemployed and underemployed individuals. I'm delighted that over the past four years this program has been highly effective in achieving its goals.

In our feature article, you will be able to hear from a participating developer - **Bear Development**. Mr. S.R. Mills, president of Bear Development, offers insights into the program at work in the communities and highlights benefits of working with emerging businesses. WHEDA, in concert with a network of dedicated developer partners, is thrilled to play a role in the rejuvenation of local economies through the EBP.

For the 2012 Tax Credit Awards cycle, WHEDA realized a 33 percent average Emerging Business Program participation, resulting in \$28.3 million in total emerging business contracts. Of the 18 LIHTC and NMTC projects in 2012, 13 met or exceeded EBP percentage participation goals. In addition, there were 244 workforce participation hires during the 2012 tax credit cycle.

This performance report contains highlights, information and data about WHEDA's successful Emerging Business Program. The collaborative efforts of all those involved are supporting Wisconsin on its continued path of economic revival.

# 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 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, as well as Racine and Kenosha counties. 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).



## 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 2012 WHEDA tax credit award cycle for the period ending December 31, 2014, 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 2012 WHEDA Tax Credit Cycle

For the period ending December 31, 2014

WHEDA measures emerging business participation during a two year construction cycle. LIHTCs and NMTCs awarded to WHEDA developer partners in 2012 have until December 31, 2014, to complete construction of a development receiving tax credits. The emerging business participation performance numbers presented in this report are for WHEDA's 2012 tax credit awards for developments that completed construction by December 31, 2014.

## 2012 LIHTC Project Summary

Development	Developer	County	EBP Participation Goal	EBP Participation Achieved	Workforce Development Hires	Tot. Emerging Business Contracts
Family Supportive Housing at Center & Buffum	Heartland Housing, Inc.	Milwaukee	25%	27%	12	\$2,093,939
Farwell Studio Apartments	Cardinal Capital Management, Inc.	Milwaukee	25%	56%	12	1,454,202
Green Bay Family Apartments	Wisconsin Housing Preservation Corp.	Brown	15%	43%	13	1,686,926
Hillcrest Apartments	Legacy Property Management Services	Waukesha	25%	30%	5	970,215
Impact Milwaukee <sup>1</sup>	Impact Seven, Inc.	Milwaukee	25%	18%	10	383,350
Layton Boulevard West Neighborhood - Rent to Own Homes <sup>1</sup>	Layton Boulevard West Neighbors/ Impact Seven, Inc.	Milwaukee	25%	69%	15	2,392,770
Fitchburg Apartments	Royal Capital Group/ Zilber Limited	Dane	25%	61%	4	2,081,142
Meadows of Mill Creek	Bear Development	Kenosha	25%	28%	12	733,974
Nob Hill Redevelopment <sup>1</sup>	Royal Capital Group/ Zilber Limited	Dane	25%	56%	2	4,847,093
Northside Homeowners Initiative II	Gorman & Company, Inc./Wisconsin Preservation Fund	Milwaukee	25%	34%	43	1,888,811
Northside Neighborhood Initiative II	Gorman & Company, Inc./Wisconsin Preservation Fund	Milwaukee	25%	37%	64	2,120,390

## 2012 LIHTC Project Summary (continued)

Development	Developer	County	EBP Participation Goal	EBP Participation Achieved	Workforce Development Hires	Tot. Emerging Business Contracts
Oconomowoc School Apartments	Keystone Development, LLC/ Alliance Housing Development, LLC	Waukesha	25%	23%	6	1,546,216
Residences on Main	Bear Development	Kenosha	25%	26%	12	685,682
Riverside <sup>1</sup>	Commonwealth Development Corporation	Fond du Lac	10%	9%	7	420,417
Tower Redevelopment Phase II	City of Oshkosh Housing Authority	Winnebago <sup>4</sup>	5%	25%	10	1,488,150
Walworth Apartments	Wisconsin Housing Preservation Corp.	Walworth	25%	35%	12	1,371,728
			<b>Avg EBP Participation:</b>	<b>36%</b>	<b>Total EBP Hires: 239</b>	<b>\$26,165,004</b>

## 2012 NMTC Project Summary

Development	Developer	County	EBP Participation Goal	EBP Participation Achieved	Workforce Development Hires	Tot. Emerging Business Contracts
Wingra Family Medical Center <sup>2</sup>	Ghidorzi Companies, Inc.	Dane	25%	16%	0	\$1,096,640
Water Accelerator Center <sup>3</sup>	HKS Holdings, LLC	Milwaukee	25%	8%	5	1,119,988 <sup>3</sup>
			<b>Avg EBP Participation:</b>	<b>12%</b>	<b>Total EBP Hires: 5</b>	<b>\$2,216,628</b>

(1) As of February 1, 2015, these developments were in the process of issuing final payments to subcontractors; therefore, the participation data reported for this development is not final.

(2) Wingra Family Medical Center did not participate in the Workforce Development Program; therefore, no employment data was collected.

(3) As a result of the Community Benefits Agreement, the Water Accelerator Center was not required to participate

in the Workforce Development Program. WHEDA received workforce participation for this development from City of Milwaukee's Residential Preference Program. After review, WHEDA determined that five workers met the Workforce Development Program requirements.

(4) Participation in WHEDA's Emerging Business Program in Winnebago County is voluntary with a 5% participation goal per development.



# EBP PARTICIPATING EMERGING BUSINESSES

A listing of emerging businesses hired for the construction of developments awarded tax credits from WHEDA in 2012.

1-800-Pro-Painter

84 Lumber Company

A & A Plumbing of Milwaukee

Active Property Maintenance, LLC

ADS Disposal Services

Advanced Restoration, Inc.

Advantage Flooring & Design, LLC

Affirmative Supply Co., Inc.

Anointed Cleaners, LLC

Avilas Construction, LLC

Aztec Plumbing

Behr Electric, LLC

Black Diamond Group, Inc.

Brickstone, LLC

BYCO, Inc.

CJ Investments, Inc.

Dekoven Enterprises, LLC

Devix Heating & Cooling, LLC

Dura Tech Exteriors

DV Services, LLC

Extreme Exteriors, Inc.

Floor 360, LLC

Grade A Construction

GSI General, Inc.

Hero Plumbing, LLC

Hopwood Masonry, Inc.

Horner Plumbing Co., Inc.

Insulation Technologies, Inc.

Jordan's Construction Services, LLC

KEPA Services, Inc.

Master Repair Water Restoration Company, Inc.

Northern Electric, Inc.

Northern Exposure Landscaping, Inc.

OGC Construction, LLC

Perma-Structo, Inc.

Power Contractors, LLC

Power Control, LLC

Prism Technical Management & Marketing

Professional Construction, Inc.

R & H Overhead Doors, LLC

Rams Contracting, LTD

Regency Janitorial Service, Inc.

Reyes Painting, LLC

Royalty Roofing

SDC Drywall, Inc.

Simons Electrical Systems, Inc.

Sonag Ready Mix, LLC

Thomas A. Mason Company, Inc.

Tri City Glass & Door

Urban Construction Administration, Inc.

Valley North Distributing, Inc.

Watry Homes, LLC

# WHEDA AND BEAR DEVELOPMENT: MAKING AN IMPACT ON KENOSHA'S ECONOMY

In 2011, WHEDA revamped the Emerging Business Program (EBP), an innovative idea to build our economy and create jobs. Under the program, developers that are awarded tax credits are encouraged to hire emerging businesses, as well as use unemployed/underemployed individuals whom live in the communities where WHEDA-financed properties are being constructed.

Ask S.R. Mills and he'll testify to the value of WHEDA's EBP, calling it "a huge success." Mr. Mills is the president of Kenosha-based **Bear Development**. The developer continues to collaborate with Kenosha-based general contracting firm, Construction Management Associations (CMA). The EBP has strengthened Bear Development and CMA relationships with local communities and continues to foster dynamic partnership opportunities.

During WHEDA's 2012 Low-Income Housing Tax Credit (LIHTC) cycle, Bear Development received two tax credit allocations: \$299,908 for **Residences on Main**, in Twin Lakes; and \$332,333 for **Meadows of Mill Creek**, in Salem. Both multifamily housing developments are operating in Kenosha County, in Southeastern Wisconsin.

Once a brownfield site with high contaminant levels, the site is now home to Residences on Main, a beautiful, three-story building with 24 senior apartments. The location is within walking distance of local businesses, the library, the post office, and the attractive shores of Lake Mary. Spacious rooms range from 600 to 1,070 square feet, with all units featuring vaulted ceilings and Energy Star appliances designed to keep utility bills low. Private elevator access is available to all floors and residents can take advantage of the ample underground parking.

Townhouse-style duplex  
in Meadows of Mill Creek,  
Salem, Wisconsin.





**Residences on Main in  
Twin Lakes, Wisconsin**



“We designed a building that looks great, that everyone is really happy with, and we’ll capitalize on it [the program] to seek more development,” said Mr. Mills.

To build Meadows of Mill Creek in the town of Salem, Bear Development acquired 12 duplex lots and converted them into a rental community geared towards families. The development is a combination of 24 ranch- and townhouse-style units, all with three bedrooms. Located down the street from Salem’s elementary school and other

community amenities, Meadows of Mill Creek offers family-convenience, with lush vegetation and a quiet atmosphere.

“The development was made possible by using tax credits for high-quality housing, located near a school and park,” said Mr. Mills. “The units are 100% occupied with a waiting list.”

Not only did Bear Development utilize LIHTCs, a program WHEDA Executive Director Wyman Winston often calls one of the most effective public-private partnerships in the state, it also took advantage of the EBP. Bear Development properties are a testament to the effective performance of the EBP, outstanding delivery of emerging businesses, and quality of developer projects.

Both Bear Development housing projects surpassed the EBP participation goal of 25%, with construction efforts totaling over \$1.4 million in emerging business contracts and 24 workforce development hires. CMA’s commitment to exceeding the EBP goals while maintaining impeccable quality has helped change the perception of what affordable housing looks like and provides a positive impact on the community.

**Meadows of Mill Creek  
ranch-style duplex.**





Residences on Main senior housing and Meadows of Mill Creek family housing offer affordable housing options and serve as a catalyst in the Kenosha area by breathing new life into underutilized real estate.

“[Most] blanket policies can be difficult to implement,” said Mr. Mills. “However, WHEDA’s flexibility makes it possible for the Emerging Business Program to work [for everyone].”

Through the Emerging Business Program, WHEDA offers developers, emerging businesses and workforce development hires the support and resources necessary to quickly address any challenges along the way; thus all participants achieve success.

Mr. Mills has seen the success of the program first-hand, as many EBP subcontracts transition to jobs on other developments. Thanks to Bear Development, CMA, and other valued partners, the Emerging Business Program proves to be relevant and impactful.

## **FAST FACTS: MEADOWS OF MILL CREEK**

- Near Salem elementary school and several other community amenities
- Combination of ranch- and townhouse-style units, all containing three bedrooms
- Constructed to the Wisconsin Green Built Home standard

## **RESIDENCES ON MAIN**

- Walking distance from the library, post office and the picturesque shores of Lake Mary
- Private elevator access connecting all floors, including secured underground parking area
- Business center, exercise facility and community room with full kitchen



## 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:

**Jesse Greenlee**

*Emerging Business Program Manager*

*[jesse.greenlee@wheda.com](mailto:jesse.greenlee@wheda.com)*

**414.227.4348**

or

**Connie Martin**

*Risk & Compliance Manager*

*[connie.martin@wheda.com](mailto:connie.martin@wheda.com)*

**608.266.7981**



# WHEDA

WISCONSIN HOUSING AND  
ECONOMIC DEVELOPMENT AUTHORITY

201 West Washington Avenue ■ Madison, WI 53703  
[www.wheda.com](http://www.wheda.com)