



WHEDA EMERGING BUSINESS PERFORMANCE REPORT

2013 WHEDA Tax Credit Awards Cycle
For the period ending December 31, 2015



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

One of the many valuable economic development resources the Wisconsin Housing and Economic Development Authority (WHEDA) uses in its ongoing effort to strengthen Wisconsin's economy is its Emerging Business Program (EBP). To help spur business development and job creation, the program focuses on connecting businesses that are small, disadvantaged, or operated by minorities or women, with developers seeking construction services.

Developers awarded Low-Income Housing Tax Credits or New Markets Tax Credits by WHEDA hire emerging businesses to work on their properties. WHEDA also encourages the developers to hire unemployed and underemployed individuals with an emphasis on military veterans. I commend our developer partners participating in the EBP. Their support is helping to increase job opportunities in Wisconsin communities.

During the 2013 Tax Credit Awards cycle, WHEDA realized a 23% percent average Emerging Business Program participation, resulting in \$24.9 million in total emerging business contracts. Of the 18 tax credit developments, 14 met or exceeded EBP participation goals. In addition, there were 174 workforce participation hires during the 2013 tax credit cycle. These figures clearly demonstrate the program is producing solid results for Wisconsin's economy.

In this performance report you'll find information and data about WHEDA's Emerging Business Program. In our feature article, Mark Klann, of Cardinal Capital Management, offers his insights on why the EBP is successful. You'll also read how residents at Veterans Manor in Green Bay have benefitted from WHEDA's collaboration with Cardinal Capital Management.

Through the Emerging Business Program and the support of our developer partners like Mark Klann, WHEDA is excited to continue to play a critical role in jump-starting local economies.

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 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.



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 2013 WHEDA tax credit award cycle for the period ending December 31, 2015, are reflected in this report. To learn more about the program or get involved, please visit 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 2013 WHEDA Tax Credit Cycle

For the period ending December 31, 2015

WHEDA measures emerging business participation during a two year construction cycle. LIHTCs and NMTCs awarded to WHEDA developer partners in 2013 have until December 31, 2015, to complete construction of a development receiving tax credits. The emerging business participation performance numbers presented in this report are for WHEDA's 2013 tax credit awards for developments that completed construction by December 31, 2015.

2013 LIHTC Project Summary¹

Development	Developer	County	EBP Participation Goal	EBP Participation Achieved	Workforce Development Hires	Tot. Emerging Business Contracts
Truax Park Development, Phase 2	CDA of the City of Madison	Dane	25%	30%	12	\$1,978,429
Washington Park Homeowners Initiative	Gorman & Company, Inc.	Milwaukee	25%	48%	31	3,184,678
The Globe Apartments	Movin' Out, Inc.	Jefferson	25%	26%	13	1,700,401
Paper Box Lofts	Sherman Associates Development LLC	Milwaukee	25%	43%	13	4,959,235
Nicolet Townhomes	Keystone Development, LLC	Brown	15%	15%	5	886,476
Ingram Place Apartments ²	Institutional Housing, Inc.	Milwaukee	25%	24%	14	1,045,498
Appleton Heights Townhomes ²	Vanguard Group	Milwaukee	25%	13%	0	273,285
Glendale Heights Townhomes ²	Vanguard Group	Milwaukee	25%	8%	0	130,621
700 Lofts ²	Bear Development	Milwaukee	25%	32%	13	1,526,370
Fox Crossing Apartments	Bear Development	Milwaukee	25%	25%	12	793,932
Eagle Harbor Apartments	Care Net Pregnancy Center of Dane County	Dane	25%	1%	0	37,120
Jefferson Street Apartments	Commonwealth Development Corporation	Fond du Lac	10%	15%	4	375,005

2013 LIHTC Project Summary (continued)

Development	Developer	County	EBP Participation Goal	EBP Participation Achieved	Workforce Development Hires	Tot. Emerging Business Contracts
Meadow Ridge Apartments	MSP Development Company, Inc.	Milwaukee	10%	31%	12	2,218,191
Bradley Crossing II ³	General Capital Group	Milwaukee	25%	41%	7	2,789,073
Lincoln Elementary Apartments ³	Commonwealth Development Corporation	Shawano ⁴	5%	11%	1	287,533
Deerwood Crossing II ⁵	General Capital Group	Milwaukee	25%	27%	4	1,169,857
Green Bay Veterans Manor ⁶	Cardinal Capital Management, Inc.	Brown	15%	21%	19	1,204,005
The Grand Central Plaza ⁶	Gerrard Corporation	Douglas	5%	10%	14	1,371,728
			Avg EBP Participation:	23%	Total EBP Hires: 174	\$24,949,414

(1) For the 2013 WHEDA Tax Credit Award cycle there were no New Markets Tax Credits developments that participated in the EBP.

(2) As of February 1, 2016, these developments were in the process of issuing final payments to subcontractors; therefore, the participation data reported for this development is not final.

(3) As a result of a Workforce Development Program Good Faith Waiver, this development was not required to fulfill the requirements of the Workforce Development Program.

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

(5) This development received Low-Income Housing Tax Credits through 4% non-competitive credits and financed with tax-exempt bonds.

(6) This development received Low-Income Housing Tax Credits under WHEDA's High Impact Project Reserve program (HIPR). Participation goals for HIPR projects must exceed the minimum county goal. The HIPR program was created to award LIHTCs to projects with strong economic development or redevelopment attributes that have significant community support and/or have a tangible impact on job creation, job retention or job training. Developments receiving LIHTCs under the HIPR program were selected in a Special Round" held later than WHEDA's normal selection round held in the spring of each year.

EBP PARTICIPATING EMERGING BUSINESSES

A listing of emerging businesses hired for the construction of developments awarded tax credits from WHEDA in 2013.

1-800-Pro-Painter

A&A Plumbing of Milwaukee

ADS Disposal, A Division of
Liberty Iron and Metal

Advanced Restoration, Inc.

Advantage Flooring & Design, LLC

All County Electric Supply, Inc.

All Season Lawn Care & Landscaping Co. Inc.

Amigo Construction, LLC

Anointed Cleaners, LLC

Arteaga Construction, Inc.

Aztec Plumbing

B & D Contractors, Inc.

Braxton/Team Environmental Services, Inc.

CJ Investments, Inc.

Commonwealth Construction Corp.

Continuum Architects and Planners S.C.

Craftsman Restoration Guild, LLC

Dekoven Enterprises, LLC

Devix Heating and Cooling, LLC

Drywall Plus, Inc.

E3 Group

F & H Drywall, LLC

Floor 360, LLC

Foust Foundations, Inc.

Franklin Trucking, Inc.

Gestra Engineering, Inc.

Gibraltar Landscape & Construction

Grade A Construction

Greenfire Management Services

Heider & Bott Company

Heritage Ready Mix

Hero Plumbing, LLC

Horner Plumbing Co., Inc.

Insulation Technologies Inc.

J F Cook Co., Inc.

Jordan's Construction Services, LLC

JRT Top Notch Roofs

Kepa Services, Inc.

Klein-Dickert Co., Inc.

KMI Construction, LLC

Koenig Concrete Corporation

Kujawa Enterprises Inc.

Masonry Restoration Inc.

Master Repair Water Restoration Company, Inc.

Mavid Construction Services, LLC

Northern Electric Inc.

Northern Exposure Landscaping Inc.

Nuvo Construction Company Inc.

Patulski Concrete & Masonry, LLC

Professional Construction Inc.

Rams Contracting Ltd.

Regency Janitorial Service Inc.

Royalty Roofing

Rundle-Spence

Saga Environmental and Engineering, Inc.

Sanchez Painting & Decorating

Scotty's Construction & Building Supply

Sonag Ready Mix, LLC

Tailored Living

Thomas A Mason Co., Inc.

TL Reese Electrical Systems, LLC

Treysta Group, LLC

Tri City Glass & Door

United We Stand Cleaning Service, LLC

Valley North Distributing, Inc.

Vinii Solar Engineering, LLC

Watry Homes, LLC

White Glove Environmental

Wisconsin Automatic Door, Inc.



WHEDA AND CARDINAL CAPITAL COLLABORATE ON LIFE-CHANGING DEVELOPMENT FOR VETERANS

WHEDA uses its many economic development tools to help fulfill the ambitious mission of stimulating the state's economy while improving the quality of life for Wisconsin residents. One of these tools is the **Emerging Business Program (EBP)**. When developers are awarded tax credits by WHEDA, they are encouraged to hire emerging businesses and use unemployed/underemployed individuals

living in the communities where WHEDA-financed properties are being built.

One significant project that successfully utilized WHEDA's EBP is **Green Bay Veteran's Manor**. Veterans Manor provides safe, stable housing for our valued veterans in the Green Bay area. The development exceeded the emerging business participation goals and hired veterans to work on the construction project.

In June 2015, Green Bay Veterans Manor opened with 50 units of permanent, supportive housing with a preference for veterans. The Center for Veterans Issues provides residents with job coaching, alcohol and drug abuse counseling along with training and awareness to access Veterans Affairs benefits.

In 2013 and 2014, WHEDA allocated a total of \$594,500 in Low-Income Housing Tax Credits to help finance the construction of Veterans Manor. **Cardinal Capital Management**, the project developer, participated in WHEDA's EBP and exceeded program goals by awarding 21% of construction costs, totaling more than \$1.2 million, to emerging businesses. The project also created 19 workforce hires.

"We love the focus WHEDA brings to the program," said Cardinal Capital Construction Manager Mark Klann. "It helps the emerging owners and people who need to develop skills in skilled trades get experience, too. One of the toughest things we face is the lack of new workers in skilled trades. Often we find it's the Emerging

Business Enterprises who are starting new workers. This is a win-win-win for so many people to spread the work around."

But the big winners are veterans, who prior to the opening of Veterans Manor, literally had no place to call home.

"I lived in Green Bay, but couldn't afford it," said Archie Shaha, 60, a US Navy Veteran. "I was out of work, had no income. I was a hurtin' pup for a while."

"I was living in a hotel, just in the process of a divorce," said US Navy Veteran Keith Harnois, 58. "I was kind of homeless."

"I was living with my girlfriend," said John Guyes, 72, a Coast Guard Veteran. "But she passed away so I had to get out of her house. I had to find a place [to live]."

Through local resources, Shaha, Harnois and Guyes learned about Veterans Manor. All three moved in the day it opened. All three concur that without this supportive housing they have no idea where they would be living today. With the help of WHEDA's financing and the EBP, 41 male and 9 female veterans now call Veterans Manor their home.

"One of our residents moved from a mobile home that was condemned, there were holes in the floor, no working plumbing and electrical problems," said Joe Thomae, Asset Manager for Veterans Manor. "Imagine going from that to a brand new apartment in a community of people who share your background."

"It's fantastic being around other vets," said Mr. Harnois. "We have lots of stories to share. They understand what we had to do when we were in



US Navy Veteran Keith Harnois moved from a hotel to become one of the first residents at Veterans Manor.





the service. Just a wonderful place, very valuable, kind of like starting all over again.”

Four veterans worked on the construction of Veterans Manor. Connecting veterans with work on a veterans building as well as providing stable, supportive housing by partnering with WHEDA is gratifying to Mr. Klann of Cardinal Capital Management.

“The creation of housing where people are employed when it’s built, people are employed when it’s operated, veterans are housed and have a stable environment to rebuild their lives again, there are no losers here,” said Mr. Klann. “The lenders win, the community wins, the investors win.”



FIVE EMERGING BUSINESS ENTERPRISES WORK ON GREEN BAY VETERANS MANOR

At a young age, Rashawn Spivey knew his calling in life and started working on plumbing jobs. He joined the local union as soon as he possibly could. He even started making service and repair calls on his own by the age of 16.

Mr. Spivey owns Hero Plumbing in Milwaukee that he founded in June of 2010. As a Journeyman and Master Plumber, Mr. Spivey has 20 years of industry experience in addition to being a certified welder.

Primarily focused on southeast Wisconsin, Hero Plumbing expanded its scope by contracting to do work on the construction of Green Bay Veterans Manor.

Hero Plumbing’s mission is to showcase the benefits of hiring a professional through exceptional workmanship. Mr. Spivey’s personal philosophy is “You only get one name,” so you build a strong business reputation by getting the job done correctly the first time.

Other Emerging Business Enterprises that worked on Green Bay Veterans Manor were Northern Electric in Green Bay; Professional Construction, Inc. in Waukesha; Thomas Mason Painting in Milwaukee; and Treysta Group in Mount Horeb.

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 or contact:

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