

**EMERGING  
BUSINESS  
PERFORMANCE  
REPORT**



**WHEDA**

**2016 WHEDA  
TAX CREDIT  
AWARDS CYCLE  
FOR THE PERIOD ENDING  
DECEMBER 31, 2018**

# EMERGING BUSINESS PROGRAM PARTICIPATION FOR THE 2016 WHEDA TAX CREDIT CYCLE



**26** TOTAL DEVELOPMENTS  
PARTICIPATING

**29%** AVERAGE EMERGING BUSINESS  
PROGRAM PARTICIPATION

**222** TOTAL WORKFORCE  
DEVELOPMENT HIRES

**\$57 MILLION**  
TOTAL EMERGING BUSINESS CONTRACTS



## Thank you, WHEDA developers

WHEDA is grateful for the support of its Emerging Business Program. The program's success is based on mutual, collaborative efforts with our developer partners to increase job opportunities that help Wisconsin communities thrive.

# 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. 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.

### WHEDA TAX CREDIT PARTICIPATION

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

**WHEDA's HTC 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 HTCs 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.

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

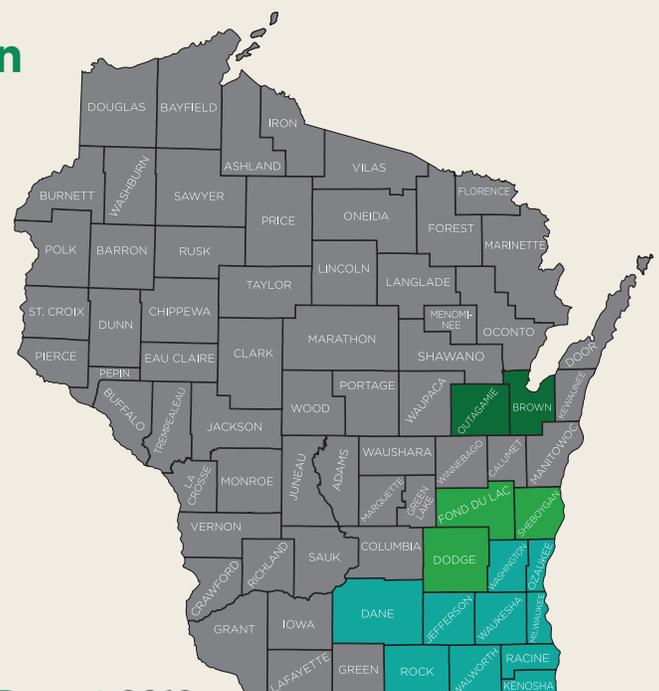
WHEDA has EBP resources online and in person to help developers locate, qualify and hire emerging businesses and local construction workers to meet their specific project needs. WHEDA offers:

- **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:

## Emerging business participation goals by county

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



## SKILL EXPLORER: DEPARTMENT OF WORKFORCE DEVELOPMENT

**Skill Explorer** is a free online resource enabling 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.

## DEPARTMENT OF CHILDREN AND FAMILIES

The **Transform Milwaukee Jobs (TMJ)** and the **Transitional Job (TJ)** programs were created in the Department of Children & Families (DCF) 2013-2015 biennial budget.

**Transform Milwaukee Jobs:** The Transform Milwaukee Jobs (TMJ) program offers jobs to low-income adults in Milwaukee and provides businesses with needed workers at little or no risk or expense to the business. Learn more at <https://dcf.wisconsin.gov/w2/researchers/tmj>

**Transitional Jobs:** The Transitional Jobs (TJ) program is available in urban areas outside of Milwaukee with high unemployment rates and in rural counties with the highest poverty rates. Learn more and see program overview at <https://dcf.wisconsin.gov/w2/researchers/tj>

For questions, please email **Linda Richardson**, at [Linda1.Richardson@wisconsin.gov](mailto:Linda1.Richardson@wisconsin.gov) or call at 608-422-6276.



**SKILL**  **EXPLORER**

To learn more about the **Emerging Business Program** or to find out how to 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 2016 WHEDA Tax Credit Cycle

For the period ending December 31, 2018

WHEDA measures emerging business participation during a two year construction cycle. HTCs and NMTCs awarded to WHEDA developer partners in 2016 have until December 31, 2018, to complete construction of a development receiving tax credits. The emerging business participation performance numbers presented in this report are for WHEDA's 2016 tax credit awards for developments that completed construction by December 31, 2018.

### 2016 Housing Tax Credit Project Summary

Development	Developer	County	EBP Participation Goal	EBP Participation Achieved	Workforce Development Hires	Tot. Emerging Business Contracts
5th Street School Apartments	Gorman & Company, Inc.	Milwaukee	25%	30%	17	\$2,112,285
8Twenty Park Phase I	JT Klein Company, Inc.	Dane	25%	23%	13	\$1,929,671
8Twenty Park Phase II	JT Klein Company, Inc.	Dane	25%	26%	12	\$819,913
Beacon Avenue Cottages	Commonwealth Development Corporation	Outagamie	15%	17%	0	\$785,837
Century Building <sup>1</sup>	Keystone Development, LLC	Milwaukee	25%	23%	4	\$1,869,097
CityPlace	Institutional Housing, Inc	Milwaukee	25%	38%	12	\$2,255,073
Exchange @104	KCG Development, LLC	Fond du Lac	10%	15%	0	\$1,064,136
Grand View Townhomes	Horizon Development Group, Inc.	Outagamie	15%	20%	12	\$997,984
Historic Garfield Redevelopment Phase 1, The Griot <sup>1</sup>	Maures Development Group, LLC	Milwaukee	25%	48%	12	\$3,093,477
Historic Garfield School <sup>2</sup>	Maures Development Group, LLC	Milwaukee	25%	58%	17	\$3,047,355
Madison Family Supportive Housing	Heartland Housing, Inc.	Dane	25%	28%	14	\$2,115,062
Madison on Broadway <sup>1</sup>	Movin' Out, Inc.	Dane	25%	30%	0	\$2,175,147
Novation Senior Apartments <sup>2</sup>	Bear Development, LLC	Dane	25%	29%	14	\$1,883,197
Parish School Apartments	ADVOCAP, Inc.	Fond du Lac	10%	21%	0	\$1,551,914
Park Place and Westgate Apartments <sup>1</sup>	Horizon Development Group, Inc.	Lincoln	5%	10%	0	\$656,246
Residences at Library Park <sup>1</sup>	Management Services, LLC	Kenosha	25%	0%	0	\$0

## 2016 Housing Tax Credit Project Summary (continued)

Development	Developer	County	EBP Participation Goal	EBP Participation Achieved	Workforce Development Hires	Tot. Emerging Business Contracts	
Scenic View Apartments	Bear Development, LLC	Washington	25%	32%	12	\$516,990	
St. Anthony's Apartments <sup>1</sup>	Heartland Housing, Inc.	Milwaukee	25%	23%	12	\$2,350,876	
Seven04 Apartments <sup>1</sup>	Rule Enterprises, LLC	Milwaukee	25%	27%	3	\$1,666,525	
The Breese Apartments	Stone House Development, Inc.	Dane	25%	23%	11	\$1,800,032	
The Legacy Apartments	VeriGreen Development, LLC	Milwaukee	25%	54%	13	\$5,067,478	
Victory Manor, LLC <sup>1</sup>	Housing Authority of the City of Milwaukee	Milwaukee	25%	47%	0	\$5,392,284	
Washington Park Townhomes	Wisconsin Preservation Fund	Milwaukee	25%	69%	22	\$3,816,568	
Washington School Apartments	Gorman & Company, Inc.	Sheboygan	10%	10%	13	\$675,827	
Welford Sanders Lofts <sup>1,2</sup>	Martin Luther King Economic Development Corp.	Milwaukee	25%	57%	9	\$6,210,972	
					<b>Avg EBP Participation: 30%</b>	<b>Total EBP Hires: 222</b>	<b>\$53,853,947</b>

## 2016 New Markets Tax Credit Project Summary

Development	Developer	County	EBP Participation Goal	EBP Participation Achieved	Workforce Development Hires	Tot. Emerging Business Contracts	
St. Augustine Preparatory School <sup>3</sup>		Milwaukee	14%	10%	N/A	\$3,457,600	
					<b>Avg EBP Participation: 10%</b>	<b>Total EBP Hires: 0</b>	<b>\$3,457,600</b>
<b>Grand Totals</b>					<b>Avg EBP Participation: 29%</b>	<b>Total EBP Hires: 222</b>	<b>\$57,311,547</b>

(1) As of April 2018, this development was in the process of issuing final payments to subcontractors; therefore, the participation data reported for this development is not final.

(2) This development received federal housing tax credits through 4% non-competitive credits and was financed with tax-exempt bonds.

(3) This development had a 14% Emerging Business Program participation goal and a zero Workforce Development Hire requirement.



**HONORING ITS NAMESAKE,  
WELFORD SANDERS LOFTS  
REVITALIZES A MILWAUKEE  
NEIGHBORHOOD**

Since 2005, **WHEDA's Emerging Business Program** (EBP) has been a catalyst for revitalizing neighborhoods across Wisconsin. Developers use the EBP as a resource to contract with emerging businesses and hire unemployed/underemployed individuals to help build WHEDA-financed properties.

**Welford Sanders Historic Lofts** is a successful EBP project that demonstrates how **WHEDA**, the **Martin Luther King Economic Development Corp. (MLKEDC)** and **Wisconsin Redevelopment, LLC** worked hand-in-hand to transform a historic, underutilized property into affordable housing and commercial space.

In 2001, under the leadership of **Welford Sanders**, MLKEDC began **King Drive Commons**, a Milwaukee neighborhood revitalization concept focused on addressing blighted areas in the Harambee Neighborhood along Dr. Martin Luther King Drive. The goal of the concept was to bring new developments to the area that provide exceptional affordable housing options in multiple phases. Welford Sanders Historic Lofts is the latest development in King Drive Commons.

With Sanders' vision, MLKEDC successfully completed four project phases in King Drive Commons between 2005 and 2013 generating nearly \$25 million in mixed-use development

resulting in 107 units of affordable housing and over 10,000 square feet of commercial space.

In 2014, MLKEDC started designing King Drive Commons V, the redevelopment of the former Nunn Bush Shoe factory. The former factory was going through foreclosure and stood in the center of the other four King Drive Commons developments. The historic building was last used as the Milwaukee Enterprise Center but the tenants were unable to adequately serve the needs of the surrounding community.

During the middle of project planning in 2015, Sanders' unexpected death slowed activities for what was, by far, the most complex of all previous King Drive Commons developments.

Sanders' vision continued with community support, leading to the partnership of MLKEDC and Wisconsin Redevelopment, LLC, which saved the building from foreclosure, possible demolition and from becoming a blighted influence on other adjacent developments. A 59-unit loft-style housing development was ultimately approved, along with a 38,000 square foot job center. In Sanders' memory, King Drive Commons V was renamed Welford Sanders Historic Lofts.

WHEDA allocated \$654,721 in federal housing tax credits to the project in 2016, along with





three other loans and construction financing. MLKEDC, the project developer, exceeded the emerging business participation goal with 57% of the construction and professional services being completed by emerging businesses resulting in contracts totaling \$6.2 million. In addition, MLKEDC achieved nine workforce hires from the Welford Sanders Historic Lofts neighborhood.

Robert Lemke, president of the Wisconsin Redevelopment, LLC, was intimately involved in the project. He understands and appreciates the significance of WHEDA's Emerging Business Program.

"During construction, over 40% of the workers were certified as unemployed or under-employed," said Lemke. "Over 27% of the project's subcontracts were awarded to small business companies. These are very important numbers in addressing job creation in a central city development where neighborhood residents participated in this project's development and construction."

MLKEDC's participation in the EBP allowed the developer to partner with the commercial tenants. These tenants, all community service organizations, used their collaborative efforts to address barriers to employment, recidivism and help area residents achieve self-sufficiency through sustainable employment.

Historic preservation was critical to the development as it saved and refurbished hardwood floors, structural timbers and steel,

an old boiler room and other features celebrating the building's industrial past. State-of-the-art electrical and mechanical systems will reduce ongoing utility costs for both residents and office tenants. Located on the sixth floor is an exceptional common space for residents complete with an exercise room, a movie theater, a community kitchen, a party room, a fireplace, a billiard room and the Welford Sanders library.

"Welford Sanders Historic Lofts is a powerful example of a long-term investment in a targeted area," said Lemke. "There is a fund-raising effort now underway for a statue of Sanders to be located within the development. This would be the first statue of an influential Milwaukee African American in this city honoring a life well lived."

On April 5, 2019, the Federal Home Loan Bank of Chicago presented a **Community First Award** in the "Partnership" category to both WHEDA and the MLKEDC for the five phases of King Drive Commons, which includes the Welford Sanders Historic Lofts. This category recognizes the collective, ongoing efforts of a multidisciplinary team of stakeholders to make positive and long-lasting community impacts.

WHEDA is proud to have partnered on several endeavors with Sanders whose legacy is an unforgettable crusade to eliminate urban blight and solidify neighborhoods. Sustainable communities that require multi-year housing and commercial investments now have a proven model to replicate.

# EBP PARTICIPATING EMERGING BUSINESSES

A listing of emerging businesses hired for the construction of developments awarded tax credits from WHEDA in 2016.

1-800-Pro-Painter  
84 Lumber Company  
A&A Plumbing of Milwaukee  
ADS Disposal, A Division of Liberty Iron and Metal  
Advanced Restoration, Inc.  
Advantage Flooring & Design, LLC  
All Season Lawn Care & Landscaping Co., Inc.  
Anderson & Anderson Construction, LLC  
Anointed Cleaners, LLC  
Aztec Plumbing  
Brickstone, LLC  
Capital Lawn Sprinkler, Inc.  
Capital Steel Erectors, Inc.  
CMS Contracting, LLC  
Commonwealth Construction Corp.  
Devix Heating and Cooling, LLC  
Duwe Metal Products  
Early Bird Painting, LLC  
F & H Drywall, LLC  
Foust Foundations, Inc.  
Garage Door Express, LLC  
Garten Factory  
Gestra Engineering, Inc.  
Global Janitors  
Halverson Carpet Center  
Hernandez Roofing, LLC  
Hero Plumbing, LLC  
Horner Plumbing Co., Inc.  
Insulation Technologies, Inc.  
JT Rams  
Koenig Concrete Corporation  
Majestic Wood Floors, Inc.  
Masonry Restoration, Inc.  
Master Repair Water  
Restoration Company, Inc.  
Midwest Roofing & Construction, Inc.  
Native Remodels, LLC  
Noffke Lumber, Inc.  
Northcentral Construction Corp.  
Northeast Construction & Landscaping  
Professional Construction, Inc.  
Professional Heating & Air Conditioning  
R.A. Heating & Air Conditioning, Inc.  
Regency Janitorial Service, Inc.  
Sanchez Painting & Decorating  
SDC Drywall, Inc.  
Sonag Ready Mix, LLC  
Temps Plus Staffing Services  
TL Reese Electrical Systems, LLC  
Treysta Group, LLC  
United Brick and Fireplace, Inc.  
United We Stand Cleaning Service, LLC  
UPI, LLC  
Urban Construction Administration  
Vak Installation Services, LLC  
Valley North Distributing, Inc.  
White Glove Environmental  
YMYSPOT Cleanup, LLC



## 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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