



# **CHAPTER 6:**

## **NORTH FISH HATCHERY ROAD IMPLEMENTATION STRATEGY**

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### **Table of Contents**

- I. Implementation organization**
- II. Market Priorities**
- III. Implementation Process and Priorities**
- IV. Business Retention & Recruitment**
- V. Developer Recruitment**
- VI. Funding Opportunities**

## **CHAPTER 6: NORTH FISH HATCHERY ROAD IMPLEMENTATION STRATEGY**

Implementation is the logical step following the adoption of the plan. Implementation requires several key components to be successful. Implementation must be done with commitment – that is, the community must undertake plan implementation with the full understanding of its complexity, the time required, and the relationship and sequence of the plan’s various elements. Implementation must be funded; the community must allocate adequate resources for staff, professional assistance, project funding, and financial leverage. Implementation requires partnerships; public and private sector individuals and organizations must come together as an implementation team. Finally, implementation must be dynamic; unanticipated redevelopment opportunities will present themselves throughout the process of planned implementation, so the implementation team must be able to assess and reprioritize on a continuous basis to take advantage of emerging opportunities. The following implementation strategy details the steps and activities needed to implement the North Fish Hatchery Road Improvement Plan, including:

- Implementation organization
- Market Priorities
- Implementation Process and Priorities
- Business Retention & Recruitment
- Developer Recruitment
- Funding Opportunities

## **I. IMPLEMENTATION ORGANIZATION**

It is recommended that a public-private partnership manage and guide the implementation of the North Fish Hatchery Road Improvement Plan.

### **A. PUBLIC SECTOR**

The implementation of public improvements and activities should be led by the **Community Economic Development Authority (CEDA)**. The CEDA should be led by the Economic Development Director and supported by additional City Staff via the Technical Resource Committee including: Planning; Parks and Engineering. It is further recommended that the CEDA, in conjunction with City Staff, consider creation of an Economic Development Capital Fund which could fund redevelopment initiatives, allowing the City and the CEDA to take a proactive role in redevelopment when necessary.

### **B. PRIVATE SECTOR**

Business district management and the implementation of private improvements and activities should be led by a new private sector organization, identified as the **North Fitchburg Business Association**, comprised of community leaders who are committed to the revitalization of north Fish Hatchery Road. While the businesses along north Fish Hatchery Road are currently represented within the South Metropolitan Business Association as well as the Fitchburg Chamber of Commerce, it is recommended that the North Fitchburg Business Association be formed as a subset of those bodies to focus exclusively on the successful redevelopment of this business district. This group should include individuals whose skills and expertise can be instrumental in building a strong business association and assisting the CEDA in implementing the recommendations of the North Fish Hatchery Road Improvement Plan. This group could be funded through member pledges and contributions from the South Metropolitan Business Association, the Fitchburg Chamber of Commerce and the City through the TIF district.

### **C. COORDINATION & PROJECT APPROVAL**

The North Fitchburg Business Association will work with the City and CEDA to coordinate the public and private activities and oversee the implementation process. The CEDA will coordinate input from the DOT, the DNR and other agencies as needed to implement public and private projects.

The Plan Commission and the City Council will have ultimate authority for approving implementation recommendations.

## II. MARKET PRIORITIES

From a market standpoint, north Fish Hatchery Road is poised to be a strong competitor for new businesses and redevelopment if certain initiatives are undertaken. The potential for many businesses to consider this area for new development is good, but certainly could be enhanced by addressing certain items that would help make north Fish Hatchery Road a more viable business district.

- ⇒ The City of Fitchburg is a sought after location for many businesses. However, the north Fish Hatchery Road area is not necessarily considered Fitchburg because there is no sense of transition from Madison's highway commercial into the City of Fitchburg at this primary gateway.

As an initial marketing opportunity, it would be beneficial to make a statement with streetscape amenities that you are now entering into Fitchburg. Streetscape features can re-identify and update the overall look of a commercial district. These features might include entrance signage, consistent lighting, banners, landscaping, etc.

Due to its immediate adjacency to Madison, setting a gateway standard at key entrances into the community will establish identifiable boundaries and fortify the image that Fitchburg wants to present in this competitive Madison market area.

- ⇒ The Post Road connection is a critical component for future viability of the north Fish Hatchery Road market area. This connection will allow alternate access to north Fish Hatchery Road from the existing Greenway Cross business area while making important connections to the future housing and business development along Syene Road.

As housing and commercial growth, such as Swan Creek, occurs to the east, the Post Road connection will be vital in providing convenient access to the north Fish Hatchery Road area. If traffic from the east must rely on Greenway Cross and Lacy Road as their only connections to north Fish Hatchery Road, it will become either too congested or too far to make the trip worthwhile. This Post Road connection will help maintain and sustain the north Fish Hatchery Road business district.

This Post Road connection will also provide a great opportunity for new retail/ commercial development at the intersection with Fish Hatchery Road, and perhaps some commercial/office locations along the initial stretch of the new Post Road. The Post Road connection can also provide a unique opportunity to consider new residential ownership and rental options. Other connections including expansion of the street network, and bicycle trail system will further connect the business district to the larger community.

- ⇒ Encourage the eventual relocation of industrial uses and single-family residential properties currently on North Fish Hatchery Road. With the imminent potential development of the Bowman lands, a wider view should include the remaining industrial and residential properties as part of an overall redevelopment plan. This would help fortify the identity and function of this corridor as a business district, and provide an important connection between the Beltline and the existing properties to the rest of Fitchburg.

- ⇒ As with many business districts of this age, much of the retail on north Fish Hatchery Road has transitioned away from this location, seeking out the latest developments in the newer and stronger residential neighborhoods. The residential neighborhoods adjoining north Fish Hatchery Road have also transitioned, changing the dynamics of the retail that still services the area. Stabilization of the surrounding neighborhoods will be necessary to support the revitalization of a neighborhood and community commercial retail center in this area.

If a significant commercial development site were to be proposed at the new Post and Fish Hatchery Road connection to the east, there is likely to be active interest by new retail users. This interest could potentially come from a larger anchor user and/or a series of small to mid-size users. This will become a very competitive retail site. The development of this site should include an attractive, integrate project that meets consumer demands, and builds on area amenities including: the growing demographics of the area; its positioning in the greater Madison market area; and its excellent connectivity to other areas in Dane County. Significant redevelopment at this intersection should be accompanied by a traffic analysis to determine how traffic flow on north Fish Hatchery Road can be maintained in conjunction with additional commercial development at the intersection of Post Road and north Fish Hatchery Road.

- ⇒ Another strong potential for business growth is in the area of medical and office space. This area provides many of the components that medical providers are looking for, such as easy to access from other parts of the metro area, bus service, and adjacency to the hospitals. Although the current Madison area office market is soft, with an approximate 15% vacancy rate, the southern quadrant of the Madison area (which includes Fitchburg) has an estimated 9% vacancy rate. Because the vacancy rate in this particular quadrant has not grown significantly, the office market opportunities in the north Fish Hatchery Road corridor could merit future consideration due to the excellent access to the Beltline and Dane County. As new land opportunities become available, small to mid-size companies may find this quadrant of Fitchburg the perfect place to locate. This office market niche is presently being played out in the area around Rimrock Road, which has been a “sleeper” location for many years.
- ⇒ During interviews, many businesses commented on how the current traffic situation can be problematic for their customers. Today’s time-pressed consumers are looking for the easiest way to access goods and services. Again, the Post Road connection and further expansion of the street network can become a great reliever or option for traffic flow, along with the potential for new controlled intersections. Access to businesses from north Fish Hatchery Road could be further improved through investment in the multi-modal transportation infrastructure, shared parking and access drives, and minimization of access points along north Fish Hatchery Road.
- ⇒ Support efforts to stabilize multi-family neighborhoods adjoining North Fish Hatchery Road. The health of the high density neighborhoods in this study area is another critical link to maintaining or attracting long-term business investment. In the forums and business interviews, many people commented on the desire for better quality retail in this area. However, neighborhood retail follows neighborhood rooftops and tends to reflect neighborhood demographics and income levels.

It would benefit this business district to: 1) provide home ownership opportunities in existing rental units, and 2) examine how a large multi-family project such as Ridgewood Apartments

could segment their product so that it would be attractive to many different types of residents and provide a variety of residential choices.

- ⇒ Create a business association to focus exclusively improving the north Fish Hatchery Road business district. The North Fitchburg Business association should spearhead marketing, promotions and private fundraising for the business district and coordinate with the City on public and private improvements to the district.
- ⇒ The north Fish Hatchery Road area was developed over time, with a variety of building types, set-backs and signage. New development areas are now held to certain standards and guidelines that meet the intent of a municipality. Although this business district was developed decades ago, there are still ways that both public and private efforts can make a difference in how north Fish Hatchery Road is identified.

The North Fitchburg Business Association and the City of Fitchburg should organize an effort that would address opportunities and ideas to enhance and invigorate the real estate. This might include: façade improvements/ grants; augmenting real and perceived safety in the district, signage improvements/ grants, design guidelines and consistent maintenance of the properties. These efforts, along with streetscape enhancements, will greatly assist in updating the street, and creating a vital entrance into Fitchburg.

- ⇒ Encourage more pedestrian traffic on north Fish Hatchery Road by providing better pedestrian connections from sidewalks to individual businesses, and safe access across the street. Although this has been primarily a vehicular street and not a pedestrian street, there is a dense population on the west side of north Fish Hatchery Road and the potential for many dwelling units on the east side of the street. Existing and new commercial businesses can be better served whenever you provide a variety of alternate means for customers to access businesses.

### III. IMPLEMENTATION PROCESS AND PRIORITIES

Implementation of the plan’s recommendations requires the coordinated efforts of both public and private sectors working together over a period of years. Several activities need to occur to position north Fish Hatchery Road for successful revitalization. The responsibility for these activities should be divided between the City, the CEDA and the North Fitchburg Business Association.

Project implementation will be driven by both community needs and desires and by available funding sources. Various factors can speed up or delay the implementation process. However, it is important to have target dates for key implementation projects to maintain momentum and community interest and support of the plan implementation process.

Improvement projects are detailed in Chapter 4, pages 4-4 through 4-14 of the plan. All projects should be prioritized by the City and the CEDA as an initial implementation activity. The CEDA should monitor the status of projects and implementation priorities on an annual basis. The Plan Commission and City Council will make all final decisions on plan implementation activities.

Implementation activities should include:

Activity	Lead	Short Term	Long Term
		2005-2010	2010 +
1. Adopt North Fish Hatchery Road Improvement Plan	City	X	
2. Form North Fitchburg Business Association (NFBA)	Business Owners with assistance from Fitchburg Chamber of Commerce and South Metropolitan Business Assn. (SMBA)	X	
3. Continue Existing Developer Recruitment, Business Retention and Recruitment Strategies: <i>The Economic Development Coordinator is already successfully engaging the business and developer community in Fitchburg and should continue to do so throughout the implementation process for north Fish Hatchery Road.</i>	City, NFBA, CEDA	X	X
5. Establish Tax Incremental Financing District (TID)	City	X	
6. Establish Business Improvement District (BID)	NFBA		X
7. Grant Applications: <i>Brownfields Initiative, DOT Transportation Enhancement Grants, CBED, Dane County CDBG &amp; BUILD, etc.</i>	City	X	X
8. Marketing, Fundraising and Promotion of the Business District	NFBA	X	X
9. Property Owner Negotiations: <i>Shared parking &amp; access, redevelopment, rehabilitation, facade &amp; signage upgrades, etc.</i>	City, CEDA	X	X

Activity	Lead	Short Term 2005-2010	Long Term 2010 +
10. Development of a Business District Shared Parking Plan	NFBA	X	
11. Update Sign Code*	City	X	
12. Create Design Overlay District	City		X
13. Amend City Zoning & Land Use to reflect plan recommendations. <i>Amendments should be made in conjunction with the Comprehensive Plan Implementation</i>	City		X
14. Create & adopt Traditional Neighborhood Development (TND) Ordinance as required by Act 9, Wis. Stats. § 66.1027	City		X
15. Consider creation of Official Map to reflect recommendations for the study area.	City	X	
16. Create Economic Development Capital Fund to be administered by the CEDA	City, CEDA	X	
17. Consider acquisition of critical redevelopment sites and creation of redevelopment districts.	City, CEDA		X
18. Apply for a BUILD grant to develop a plan for the stabilization of the Ridgewood Country Club Apartments.	City	X	
19. Implement Public Improvements: Fish Hatchery Road redesign for improved access, bike trails, entrance features and wayfinding signage, parks and open space	City, CEDA	X	X
20. Implement Private Improvements: Redevelopment projects.	Private, City, CEDA	X	X

\* Reference the APA Planning Advisory Service Report No. 489/490, *Aesthetics, Community Character & the Law*



#### **IV. BUSINESS RETENTION AND RECRUITMENT**

One of the most important components of maintaining a business district is to have healthy merchants. Healthy merchants are successfully meeting their market niche and achieving their goals for growth and financial viability. It is important for a community to monitor the state of businesses in a redevelopment district. A district business association can develop a resource data bank for ongoing support for local businesses could to provide to merchants. Training programs could be offered in a variety of areas, such as customer service, advertising, employee retention, succession planning, etc.

The other role of the business association is business recruitment. As the current situation of existing merchants is better understood, it will be easier to identify those market areas that could be expanded upon or filled by a new business. There are many tasks for a North Fitchburg Business Association to focus on, some of which are:

- Establish and maintain a database of all businesses.
- Establish and maintain a database of relevant property information.
- Update or conduct a consumer survey.
- Update or conduct a business survey.
- Assess the current tenant mix.
- Understand market conditions that impact business district vitality.
- Establish a recruitment action plan.

It is critical to develop a thorough understanding of the north Fish Hatchery Road business district, including: knowledge of successful merchants; not-so-successful merchants; demographics; real estate; zoning and signage constraints; and planned public improvements. This will enable the North Fitchburg Business Association, with assistance from the City and CEDA, to secure the right businesses for the district.

#### **V. WORKING WITH DEVELOPERS**

With its solid growth and central location within Dane County and the greater Madison metropolitan market area, north Fish Hatchery Road will continue to be an attractive option for developers to consider. Housing development will likely lead developer interest and other commercial development, (i.e. retail, office) will follow residential growth.

The Economic Development Coordinator and CEDA are currently engaging the development community in projects within the community and should continue to do so. However it can be challenging to secure developer interest in a redevelopment area due to the economic constraints and other obstacles to be overcome. The following proactive strategies can help to make projects in redevelopment areas competitive with more typical development opportunities:

- An overall redevelopment or master plan is in place that acknowledges not only the specific project or area, but how that ties into the larger community.
- Leadership within the community, both public and private, is supportive of the master plan and its goals.
- Design guidelines are in place.
- Appropriate zoning is in place.

- Utilize land acquisition when sites critical to the overall redevelopment plan can be secured for future development.
- The development process within the community is clear and directed.
- Community management and key decision makers are “on the same page”, so the development process doesn’t get bogged down in an inability to come to consensus.
- All incentives that are available for the project are defined, and there is an understanding of how, and who can use them.
- A list of preferred developers is organized, reflecting the specific project and the developer’s capabilities.

## VI. FUNDING OPPORTUNITIES

There are a number of funding opportunities that can be targeted for specific infrastructure, redevelopment and business district revitalization projects recommended in the North Fish Hatchery Road Improvement Plan. Potential funding opportunities include:

### A. POTENTIAL LOCAL FUNDING SOURCES

***Tax Incremental Financing District (TIF or TID):*** TIF is a financial tool to promote tax base expansion. It is targeted toward eliminating blighted areas, rehabilitating areas declining in value, and promoting industrial development. Benefits may come in the form of increased employment, an improved business climate and elimination of unsafe or unsightly areas. When a Tax Incremental District (TID) is created, the City and other taxing entities agree to support their normal operations from the existing tax base within the district. Property tax rates for the school, county and City are based on the taxable value of the TID at the time it is created. These rates are then applied to the TID value increment which results in additional revenues collected for the TIF fund. Development costs are paid from these TIF fund revenues before the added tax base is shared.

The general concept of a TID is to capture new development within the proposed district boundaries that might not otherwise occur without the use of TIF financing. Typical projects that are funded by TIF include redevelopment activities such as property assemblage, redevelopment funding programs, land write-down, planning activities and public infrastructure improvements.

***Business Improvement District (BID):*** Since 1984, Wisconsin communities have had the power to establish one or more business improvement districts within their communities, which allows business properties within a geographic area to contribute through an annual assessment to programs aimed at promotion, management and maintenance and development of the district. BIDs are restricted to commercial and industrial properties that are subject to real estate tax. BID levies are generally based on a proportion of the individual property’s assessed value, but may also be based on parcel size or frontage footage. Typical BID expenditures include promotional efforts, assistance for business start-ups, job training programs, advertising, marketing, streetscape development and staff salaries.

***Dane County Better Urban Infill Development Grant program (BUILD):***

The Dane County Better Urban Infill Development Program (BUILD) assists local governments to prepare plans to redevelop and promote infill development within parts of their communities that may have become obsolete, rundown, or environmentally contaminated. Leading planning

consultants assist communities in preparing infill development design and implementation plans. Infill development is the economic use of vacant land, or restoration or rehabilitation of existing structures or infrastructure, in already urbanized areas where water, sewer, and other public services are in place, that maintains the continuity of the original community fabric.

With this planning assistance, Dane County seeks to increase communities' capacity to plan for and implement redevelopment and infill projects that: make better use of existing infrastructure; locate community services, jobs and shopping in close proximity; stabilize and enhance existing neighborhoods, downtowns and other business districts; produce housing and jobs for low to moderate-income people avoid converting productive farmland on urban fringes and in rural areas; provide viable options to auto trips by supporting walking, biking, and transit; and have the potential to clean up environmentally contaminated sites.

***Dane County HUD Community Development Block Grant (CDBG):*** Fitchburg is a member of the Dane County Community Development Block Grant program. The Dane County CDBG is a consortium of 48 communities in Dane County that has been recognized by the US Department of Housing and Urban Development (HUD), allowing Dane County to receive CDBG funds on an annual basis for housing, economic development and community service initiatives that benefit people with low to moderate incomes. CDBG funds are available annually for eligible projects including:

- Homebuyer assistance programs
- Single-family housing rehabilitation
- Affordable housing land acquisition
- Homeless services, other public services
- Downtown commercial façade improvements
- Small business development
- Youth and Senior Centers
- Commercial Loans ( see below)

The Dane County Commercial Revitalization Loan Fund (CRLF): provides financing to businesses and real estate development projects that help revitalize downtown and other traditional commercial districts. Loans are funded through Dane County CDBG funds. Municipalities, for-profit businesses, and nonprofit organizations can qualify for loans. The loans can be used to finance: fixed assets; machinery and equipment and working capital. The objectives of the CRLF are to:

- Promote infill development and commercial redevelopment in downtown and traditional business districts
- Encourage the creation or retention of employment opportunities for low and moderate-income County residents.
- Leverage new private investment in downtown business districts and traditional business districts.
- Promote developments that are pedestrian friendly, that encourage a range of transportation options, and that enhance civic life.
- Implement Dane County and local community revitalization goals and objectives.

***Dane County HOME Investment Partnerships Programs (HOME):*** Dane County became eligible to receive additional U.S. Department of Housing and Urban Development (HUD) entitlement funding under the HOME Investment Partnerships Program (HOME) in 2002, an affordable housing program with the goal of assisting low and moderate income persons. Eligible projects include:

- Homebuyer assistance programs
- Development of owner or renter infill housing using principles of Traditional Neighborhood Design (TND)
- Infill housing identified in a County BUILD Plan (Better Urban Infill Development)
- Projects that leverage additional sources of funding
- New construction, reconstruction, or rehabilitation of non-luxury affordable owner or rental housing
- Real property acquisition
- Site improvements
- Demolition of an existing structure for development of affordable housing
- Development financing costs, including soft costs
- Relocation of any displaced persons as a result of affordable housing development

***Revolving Loan Funds:*** Both Dane County and the City of Fitchburg offer revolving loan funding for housing, economic development, rehabilitation, acquisition, community facilities, public services and planning to local communities and other public and private entities.

***Façade and Sign Grant Programs:*** It is recommended that the City establish a façade improvement grant program to encourage property owners to rehabilitate storefronts and signage to complement the business district. The City should establish a fund to finance preliminary studies for privately owned buildings as an incentive to stimulate renovation activity. It is probably best to fund a façade or sign program through Tax Incremental Finance and/or the CDGB Program.

***Commercial and Residential Rehabilitation Loan Fund:*** Some communities have utilized TIF revenues to fund low-interest loan programs to fund rehabilitation activities. Typically, there is a maximum loan amount and term amount and businesses and property owners must provide private matching funds.

***Redevelopment Loan Fund:*** Some communities utilize TIF revenues to fund private redevelopment activities such as acquisition, other appropriate redevelopment activities. Typically, there is a maximum loan amount and term and business and property owners must provide matching funds.

***Private Donation Program:*** Private donation programs allow the private sector to participate in funding some of the improvements through the purchasing of specialty streetscape amenities in addition to larger features. The corporate community should be approached to fund large gift items.

***Lender Commitment Program:*** Many communities that have undertaken business district revitalization programs have created low interest loan pools through the cooperation of local banks to fund façade and building improvements. Typically, approval of funds is tied to compliance with established design guidelines.

**Special Assessments:** Some communities have assessed adjoining property owners for streetscape improvements and road extensions that exceed the normal cost of public improvement standards. Streetscape improvements and enhanced transportation networks can generate a direct benefit to adjoining properties in terms of property value increase and business opportunity.

**Hotel/Motel Room Tax:** Some communities utilize their room tax revenues for public improvement such as wayfinding systems or gateway/entry signage that encourage and promote tourism.

## **B. STATE AND FEDERAL FUNDING SOURCES**

### **1. WISCONSIN DEPARTMENT OF NATURAL RESOURCES**

**Acquisition and Development of Local Parks:** Funds are available to acquire land, rights in land, and develop public outdoor recreation areas for nature-based outdoor recreation purposes. Funds are allocated on a DNR regional basis so applicants compete only against other applicants in their region. Funding will provide 50% of eligible costs, and cannot be used if eminent domain is used to acquire property. Eligible projects must be supported by local comprehensive recreation plans.

**Urban Greenspace:** Funds are available to acquire lands to provide natural space within or near urban areas, protect scenic or ecological features, and to provide land for nature-based outdoor recreation, including noncommercial gardening. Funds are allocated statewide.

**Acquisition of Development Rights:** A Stewardship initiative making funds available to acquire development rights (easements) in areas where restrictions on residential, industrial or commercial development would enhance nature-based outdoor recreation.

### **2. FEDERAL PROGRAMS ADMINISTERED BY WISDNR**

**Land and Water Conservation Fund:** Funds are available to encourage nationwide creation and interpretation of high quality outdoor recreational opportunities. Local projects must relate to Statewide Comprehensive Outdoor Recreation Plan.

**Recreational Trails Act:** This program provides funds through the transfer of federal gas excise taxes paid on fuel used in off-highway vehicles. These funds are used to develop and maintain recreational trails and trail-related facilities for both motorized and non-motorized recreational trail uses.

### **3. WISCONSIN DEPARTMENT OF TRANSPORTATION**

**Local Transportation Enhancements (TE) Program:** This program is designed to fund projects that enhance multi-modal activities in order to improve the transportation system. Projects can include the preservation of abandoned railway corridors, rehabilitation/operation of historic transportation buildings, acquisition of scenic easements and scenic or historic sites, landscaping and other scenic beautification, and control or removal of outdoor advertising. Projects must relate to surface transportation. This program can provide 80% funding.

**Surface Transportation Program - Discretionary:** Funds are targeted to projects that foster alternatives to single-occupancy automobile trips. The most commonly applied for projects are bicycle and pedestrian facilities. Grants cover 80% of eligible project costs.

#### 4. WISCONSIN DEPARTMENT OF COMMERCE

**The Brownfields Initiative:** This program provides grants to persons, businesses, local development organizations, and municipalities for environmental remediation activities for brownfield sites where the owner is unknown, cannot be located or cannot meet clean-up costs.

**Community Based Economic Development Program (CBED):** This program is designed to promote local business development in economically distressed areas. The program awards grants to community-based organizations for development and business assistance projects and to municipalities for economic development planning. The program helps community-based organizations plan, build, and create business and technology based incubators, and can also capitalize an incubator tenant and revolving loan program.

#### 5. WISCONSIN SMALL BUSINESS ADMINISTRATION

The district office of the U.S. Small Business Administration has a wide range of financial information and loan programs available to small businesses.

#### 6. WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY (WHEDA)

WHEDA is a quasi governmental organization that finances housing development through the sale of bonds. WHEDA offers below market, fixed rate financing to low-to-moderate income first time home buyers, provides financing of up to \$10,000 for down payment and closing costs, annually makes grant funds available for affordable housing for special needs populations, provides long-term below market rate financing for the construction, acquisition and rehabilitation of affordable rental housing, and works to create affordable assisted living options for low-income seniors.

WHEDA also manages several federal housing programs including the Low Income Housing Tax Credit Program, which encourages affordable housing development by providing private investors with income tax credits when they invest in affordable housing.

#### 7. NON PROFIT COMMUNITY DEVELOPMENT ENTITIES

**Impact Seven, Inc.:** Impact Seven, Inc. is private, nonprofit community development corporation that now operates throughout the state of Wisconsin. As a federally certified Community Development Financial institution, Impact Seven provides business financing and technical assistance, develops and finances affordable housing, and assists communities with organizing, planning and fostering economic development.

**New Markets Tax Credit (NMTC) Program:** The New Markets Tax Credit (NMTC) Program permits taxpayers to receive a credit against Federal income taxes for making qualified equity investments in designated Community Development Entities (CDEs). Impact Seven, Inc. was the only CDE in

Wisconsin to be awarded New Markets Tax Credits in 2003. Substantially all of the qualified equity investment must in turn be used by the CDE to provide investments in low-income communities.

## 8. US DEPARTMENT OF COMMERCE

***The Economic Development Administration (EDA):*** The EDA provides grants for infrastructure development local capacity building, and business development to help communities alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions.

The EDA's Public Works and Development Facilities programs support industrial, commercial and technology-based employment in eligible areas experiencing significant economic distress. These projects will diversify the local economy and improve conditions for sustained economic growth. Examples include grants to improve or develop transportation facilities, water and sewer systems for industrial use, industrial parks and buildings, business incubators and technology training centers, telecommunications facilities and research parks.

## 9. US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

***Section 108 Loan Guarantee Program:*** Section 108, the loan guarantee provision of the Community Development Block Grant program, allows local governments to transform a small portion of their CDBG funds into federally guaranteed loans large enough to pursue physical and economic revitalization projects that can renew entire neighborhoods. Such public investment is often needed to inspire private economic activity, providing the initial resources or simply the confidence that private firms and individuals may need to invest in distressed areas. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities and large scale physical development projects.

Loan commitments are often paired with Economic Development Initiative (EDI) or Brownfield Economic Development Initiative (BEDI) grants, which can be used to pay predevelopment costs of a Section 108-funded project. They can also be used as a loan loss reserve (in lieu of CDBG funds), to write-down interest rates, or to establish a debt service reserve.

Dane County is eligible for \$1.4 million in Section 108 loans for 2004.

***The Economic Development Initiative (EDI):*** The Economic Development Initiative (EDI) is intended to complement and enhance the Section 108 Loan Guarantee Program. The purpose of EDI grant funds is to further minimize the potential loss of future Community Development Block Grant allocations by:

- Strengthening the economic feasibility of the projects financed with Section 108 funds (and thereby increasing the probability that the project will generate enough cash to repay the guaranteed loan);
- Directly enhancing the security of the guaranteed loan; or
- Through a combination of these or other risk mitigation techniques

States and CDBG entitlement and non-entitlement communities are eligible for the EDI and can either apply for the competitive EDI or the special purpose EDI. The latter would require support from a congressional representative. EDI benefits the businesses supported through Section 108 loans and the principally low and moderate income persons hired by those businesses.

EDI grant funds can only be used in projects also assisted by the Section 108 Loan Program. Such projects may involve activities as property acquisition, rehabilitation of publicly owned property, housing rehabilitation, economic development activities, acquisition, construction, reconstruction, or installation of public facilities, and for public works and other site improvements.

***The Brownfields Economic Development Initiative (BEDI):*** The BEDI is designed to assist cities with the redevelopment of abandoned, idled and underused industrial and commercial facilities with expansion and redevelopment of real or perceived environmental contamination. BEDI funds are used for economic development projects to increase economic opportunities for low-and moderate-income persons to stimulate or retain businesses or jobs or that would otherwise lead to economic revitalizations.

BEDI funds are used as the stimulus for local governments and private sector parties to commence redevelopment or continue phased redevelopment efforts on brownfields sites where either perceived or actual environmental conditions are known and redevelopment plans exist. HUD emphasizes the use of BEDI and Section 108 Loan Guarantee funds to finance projects and activities that will provide near-term results and demonstrable economic benefits, such as job creation and increases in the local tax base. HUD does not encourage applications whose scope is limited only to site acquisition and/or remediation (i.e., land banking), where there is no immediately planned redevelopment. BEDI funds must be used to enhance the security or to improve the viability of a project financed with a new Section 108 guaranteed loan commitment.