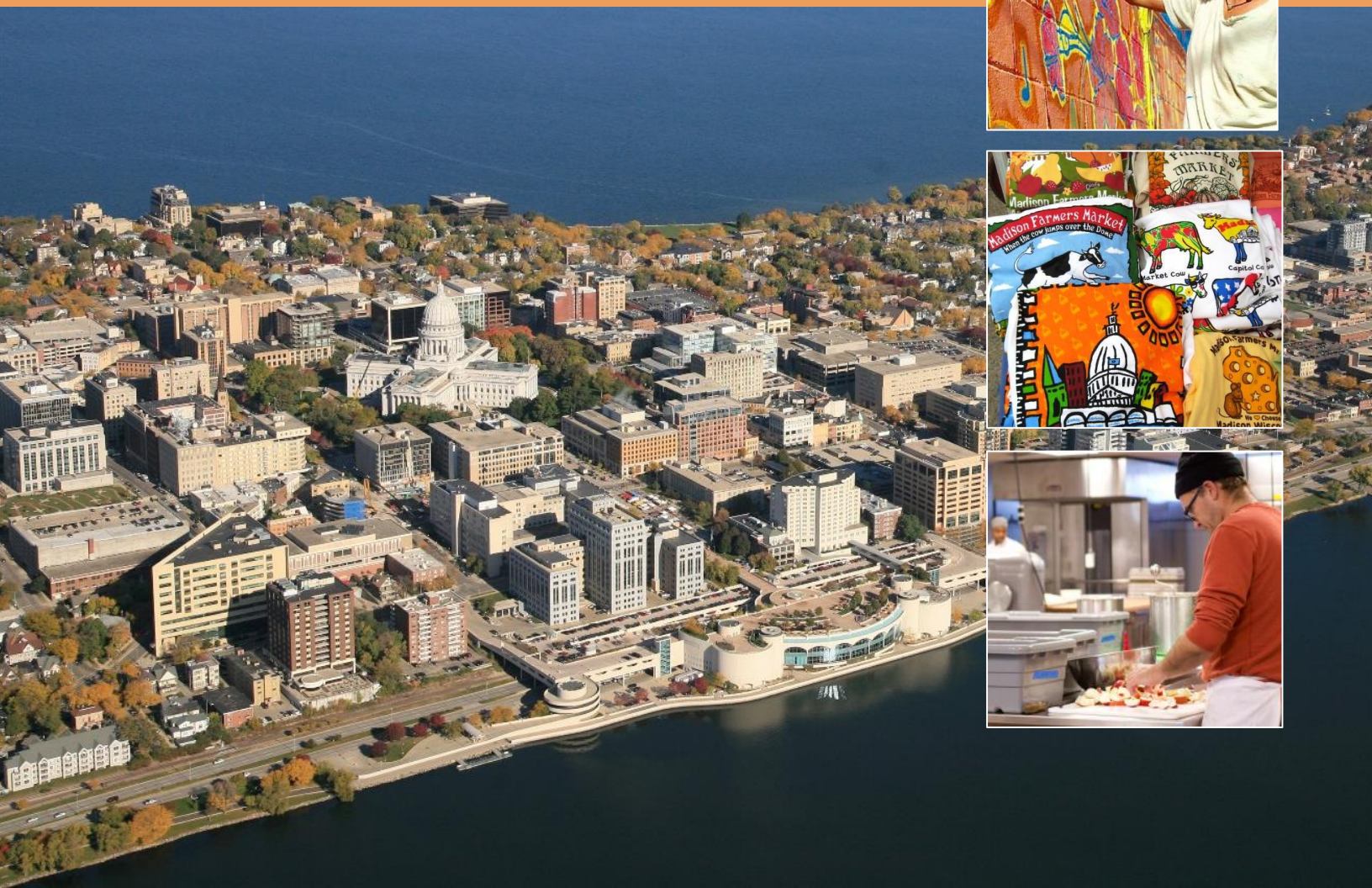


2018



CITY OF MADISON
ECONOMIC DEVELOPMENT DIVISION

Annual Report



Snapshot of Madison's Economy

Madison's economy continues to trend upward on key indicators including job growth, business growth, tax base, and population growth.

\$768 million

GDP growth for the Madison MSA in 2017.

\$1.7 billion

Growth in Madison **tax base** in 2018.

407,000

Total Jobs in the Madison Metro Area

\$604 million

New construction in Madison in 2018

45,000

New Jobs have been created in the Madison Metro Area between 2009 and 2018

14,000

Total businesses in Dane County

2.1%

2018 Madison **Unemployment Rate**

86%

of all Madison Businesses have **fewer than 50 employees**

Madison has one of the most dynamic, innovative, and strongest local economies nationwide. At the same time, we face economic challenges including deep racial disparities. The City's Economic Development Division is focused on maintaining and building upon the City's economic strengths, while working to ensure that Madison's prosperity is more widely shared.



ECONOMIC DEVELOPMENT DIVISION **2018 HIGHLIGHTS**

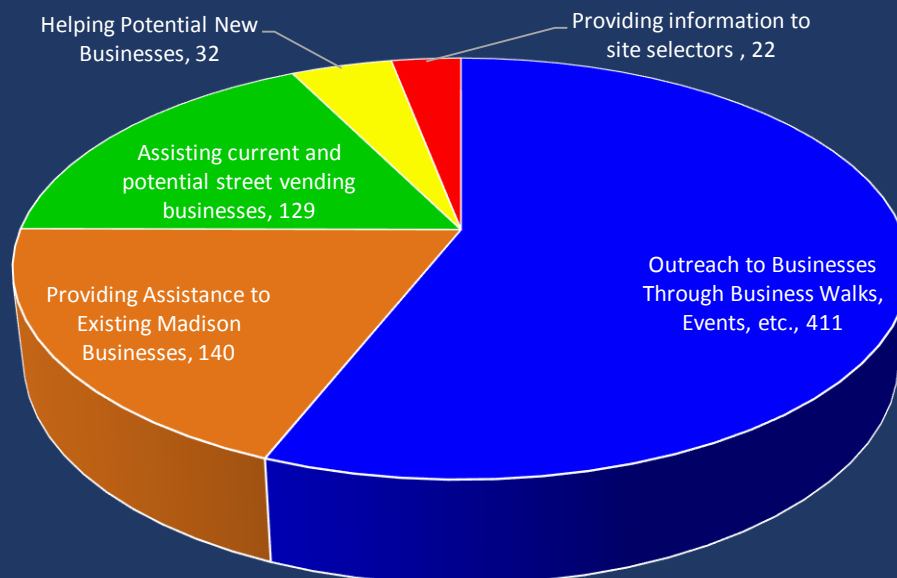
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Outreach to Madison Businesses

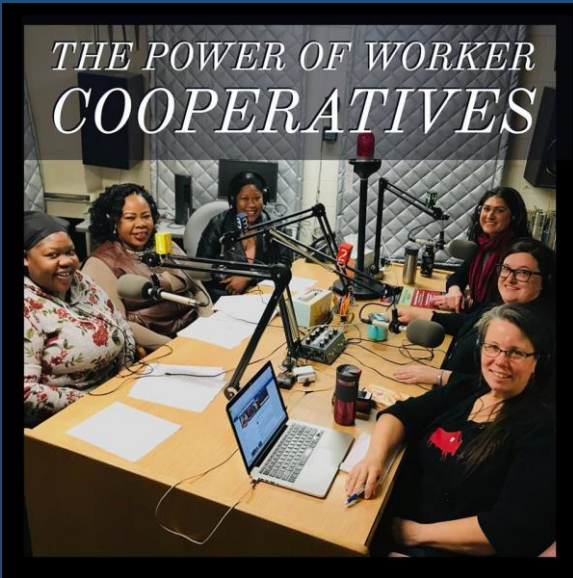


- Connected with **734 individual businesses**. These connections include fielding inquiries, providing direct services, connecting businesses with resources, assisting with finding sites, and conducting proactive outreach.
- Completed two **“Business Walks”**: The Park/Regent Street Walk and the East Madison Business Walk. Eighty business and civic leaders visited 356 businesses in two three hour mornings. This led to dozens of follow ups and connections
- Sent **40 personal letters to businesses** to commemorate expansions, awards, and other milestones
- Supported **flood impacted businesses**. Conducted a survey that received 35 responses from businesses that sustained flood damage. These businesses were then connected to potential flood recovery loans through SBA and WEDC.

Office of Business Resources Worked with 734 Businesses in 2018



Supporting & Cultivating Businesses



City's Coop Team and Soaring Living Independence Home Health Care talk Coops with WORT



Common Good Bookkeeping Coop



Organic craft brewer Giant Jones is one of several Madison businesses benefiting from the Kiva Madison Program

- The Office of Business Resources supports the City's **Façade Grant Program**, providing grants to three businesses 2018 to fund reinvestments in their exterior attractiveness and marketability of their physical space. The Façade Grant program began in 2001 and we now have awarded a total of \$1,316,000.
- The **Cooperative Enterprise Development Program** continued in 2018. Accomplishments include cultivating potential cooperatives in bookkeeping, moving, consulting, home health care, restaurants, and childcare. The City and the Madison Cooperative Development Coalition (MCDC) is collaborating with community organizations to hold workshops on how to start a worker cooperative.
- This year saw the completion of the City's support for the **Technology Business Enterprise Fund**. Completed in partnership with the Doyene Group, this program has provided hundred of potential technology entrepreneurs with training and resources, including equity investments in scalable businesses.
- The City launched **Kiva Madison** in 2018. Working with a variety of community partners, this program provides a platform for entrepreneurs to use crowdfunding to tap into community members to secure startup loans for their businesses.
- Worked with the **Monroe Street** Merchants Association and over 100 businesses to assist with offering practical guidance on how to survive and thrive during the nine-month construction project.

In 2018, the Economic Development Division continued the **"Business Assistance Team (BAT)."** The purpose of BAT is to create a multi-agency staff team to better coordinate city/business interactions and help businesses navigate city processes.

Coordinating Major Economic Development Initiatives



Some of the participants in the MarketReady Program, a city initiative to prepare entrepreneurs to operate in the Madison Public Market.



In 2018, Economic Development staff supported the Oscar Mayer Strategic Assessment Committee, secured WEDC grant funding for the site, and worked with the new property owner on plans



Completed in 2018, the "Spark" building was built on land-banked city property and supported by a \$1.5 million city grant to StartingBlock Madison and a City-constructed parking structure.

- Progress continues on the **Madison Public Market** project. In 2018, the City and the Public Market Foundation continued progress on the design of the building, operating plan, and fundraising.
- The 30 potential Public Market vendors in the **"MarketReady" Program** continued their progress in 2018. These **30 diverse, motivated, and unique entrepreneurs** are accessing city-sponsored training, technical assistance, and funding to pursue their dreams of launching in the Public Market.
- The City continues to lead the ongoing transformation of the **Capitol East District**. 2018 saw the completion of a public/private development bringing together StartingBlock Madison, American Family Insurance, the "Sylvee" concert hall, a brewpub, and a 650-stall public parking garage. This project will become a Midwest epicenter for entrepreneurship, music, employment, and arts.
- 2018 saw the completion of the **Oscar Mayer Strategic Assessment**. EDD helped staff the Committee and worked with stakeholders and the property owners to lay the groundwork for repositioning this important site for new economic activity.
- The Economic Development Division Staff is leading the City's **Opportunity Zones Strategy**. In early 2018, staff worked with the State of Wisconsin to get key portions of Madison designated for this powerful new tax incentive. EDD subsequently created a detailed Opportunity Zone Investment Prospectus, highlighted investment opportunities within the Opportunity Zones, and convened a summit with local public and private sectors leaders in real estate and businesses to share information about this program.

Securing Grant Funding for Important Economic Development Projects

The Economic Development Division has secured WEDC grants for these projects:



Since 2013, the Economic Development Division has prepared grants to secure over \$2 million in funding from the Wisconsin Economic Development Corporation. These grants have funded affordable housing development, new infrastructure, entrepreneurship hubs, and brownfield cleanup.

- **Royster Corners** – City secured \$530,000 for road infrastructure through WEDC's Idle Sites Program.
- **Tennyson Ridge Affordable Housing** – City secured \$150,000 for clean up and demolition costs through WEDC's Site Assessment Grant Program.
- **Garver Feed Mill** – City secured \$500,000 for the project through WEDC's Idle Sites Program.
- **Sector 67** - City Secured \$250,000 through WEDC's Community Development Investment Grant Program to help fund Sector 67's new community maker space.
- **Oscar Mayer** - City worked with the property owner to secured \$500,000 through WEDC's "Idle Sites" program, which is being used for infrastructure improvements on the property
- **Archipelago Village (900 Block of East Washington)** – The City worked with the developer to secure a \$250,000 grant for storm water improvements.

This productive partnership between the City and WEDC is leveraging state economic development funds to support high impact projects for Madison and Wisconsin.

Managing and Expanding Madison's Vibrant Street Vending Program

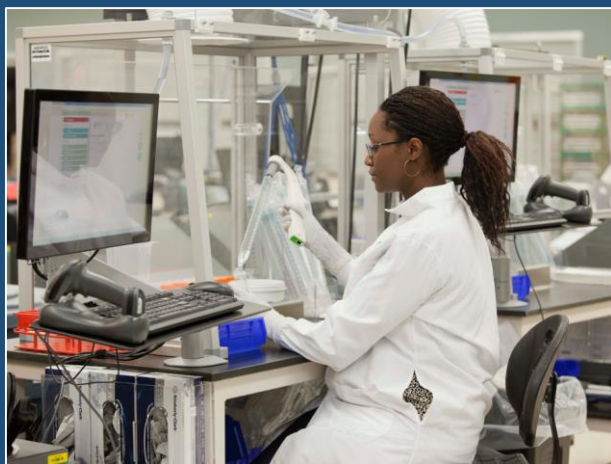


- Continued to improve the City's Food Cart evaluation process.
- Participated in the City's Street Use Staff Commission to help improve downtown events.
- Hosted listening sessions with business owners to gather ideas on how to improve the program.
- Presented to small business training programs on how to start a street vending business.
- Issued **573 licenses and permits** to food carts, sidewalk cafes, arts/crafts vendors, merchant vendors, and other businesses and non-profits.

Licensing and Permitting Statistics:

- **53** Mall/Concourse Food Cart Vending Licenses
- **95** Sidewalk Café's Licenses across the City of Madison
- **7** Southeast Campus Vending Licenses
- **46** Art and Craft Vending Licenses
- **8** Merchant Vending Licenses
- **7** TOSVOD Licenses
- **17** Camp Randall High Density Vending
- **5** Late Night Vending Licenses
- **38** Basic Street Vending Licenses
- **82** Banners Permits issued to 61 organizations
- **215** Tabling (TEM) Permits

Coordinating Madison's Tax Increment Finance Program



In 2018, Madison's TIF Program provided \$4.7 million in loans. These investments will support \$80 million in new tax base and guarantee the creation or retention of 250 high quality jobs.

2018 TIF Loans:

- Invested in the creation of a new headquarters for **Exact Sciences** within the UW Research Park
 - **\$2.6 million TIF loan**
 - **\$40.7 million in tax valued created**
 - **Creating a new headquarters facility for a rapidly growing biotech company on a transit-accessible site in the UW Research Park**
- Invested in the expansion of Exact Sciences at the former Rayovac Building
 - **\$2.1 million TIF loan**
 - **250 jobs created/retained**
 - **\$39.4 million in tax valued created**
 - **Bring a new use to a large, highly visible, and formerly vacant office building**
 - **Part of the City's TIF support included facilitating a partnership between the company and the Urban League to train and recruit employees from nearby neighborhoods**

In addition to these two loans, the City's TIF team continued to develop the details of the City's recently-created "Jobs TIF" program, provide analysis of potential TIF projects, and research potential new ways to use this powerful economic development tool.

Managing the City's Real Estate Assets



The City's Real Estate Office plays a critical role in facilitating projects that use City-owned streets and properties. For example, 2018's "Bucky's On Parade" would not have been possible without the City's Real Estate team.



Rendering of Pinney Library, now nearing completion



The Center for Industry & Commerce is a city-owned business park managed by EDD

Acquisitions

- Signed agreements to acquire the City's new 20,000 square foot **Pinney Library**
- Completed over **50 property acquisitions and easements** to expand City streets, bike paths, parks and buildings. Major Acquisitions include Right of Way for Buckeye Road well as acquiring the Wisconsin Medical Society property on Lake Monona, creating potential for expansion of Olin Park or other uses.

Dispositions

- Managed an RFP and developer negotiations for the sale of the **Truman Olson** property on the City's South side to spur redevelopment.
- Generated over \$1.5 million in city revenue through private use of **City Right of Way and leasing of City subterranean and air rights**. These easements, leases, and encroachment agreements are critical to facilitating real estate development and business growth.

Asset Management

- Managed a wide variety of City owned buildings including neighborhood centers, grocery stores, retail facilities, and public works buildings.
- Managed the **sale and development of industrial property** in the City Owned Business Parks. Most notably, in 2018 this included negotiating the sale of a portion of the Center for Industry and Commerce to allow for Eurofins to expand their Madison facilities.

Planning for Madison's Future Economy



The “CONNECT MADISON” Economic Development Strategy was adopted in 2017 and continues to guide the Economic Development Division’s work. This blueprint for Economic Development focused on **Five “Priority 1 Projects”**. The Connect Madison Strategy was one of many city plans that helped guide the City’s recently adopted Comprehensive Plan. Economic Development Division Staff was part of the Comprehensive Plan staff team and continues to work with colleagues in the Planning Division and other departments on implementing the plan’s priorities.

CONNECT MADISON Economic Development Strategy

Priority 1 Projects:

- 1) **Business Assistance Team** - Multi-agency city staff team to coordinate City/business interactions
- 2) **Development Districts** – Strategic growth areas of the City targeted for investment
- 3) **Business Retention and Expansion Walks** – Focused outreach to businesses
- 4) **Transportation** – Bringing the business community into transportation policy discussions
- 5) **Work-based Learning** – Connect more Madison youth with work experiences

Engaging with the Community and Economic Development Partners



- Represented the City of Madison with economic development partners and business organizations including:
 - Madison Region Economic Partnership
 - The Greater Madison Chamber's Small Business Advisory Council
 - The Madison Metropolitan Business Council
 - Neighborhood Business Associations
 - Downtown Madison Inc.
 - The Downtown Business Improvement District
 - Dane Buy Local
 - Wisconsin Economic Development Association
 - YWCA
 - Madison College South Campus Planning Committee
- Provided staff support to internal City initiatives and City committees including:
 - Neighborhood Resource Teams
 - The City's RESJI initiative
 - The Economic Development Committee
 - The Public Market Development Committee
 - The Food Policy Council
 - The Vending Oversight Committee
 - Street Use Staff Commission



Economic Development Division Staff

The City of Madison Economic Development Division is an 18-person team that is part of the Planning & Community & Economic Development Department. The Division includes three offices – the Office of the Director, the Office of Real Estate Services, and the Office of Business Resources

OFFICE OF ECONOMIC DEVELOPMENT DIRECTOR

Matt Mikolajewski , Economic Development Director

Andrea Freedman, Program Assistant

Cristine Klawiter, Clerk/Typist

OFFICE OF BUSINESS RESOURCES

Dan Kennelly, Business Resources Manager

Meghan Blake-Horst, Street Vending Coordinator

Eric Melton-White, Street Vending Monitor

Mike Miller, Business Development Specialist

Tom Otto, Economic Development Specialist

Ruth Rohlich, Business Development Specialist

OFFICE OF REAL ESTATE SERVICES

Matt Wachter, Real Estate Services Manager

Jenny Frese, Real Estate Agent

Heidi Fischer, Real Estate Agent

Joe Gromacki, TIF Coordinator

Kris Koval, Real Estate Agent

Andy Miller, Real Estate Agent

Dan Rolfs, Economic Development Project Manager

Heidi Radlinger, Real Estate Agent

Lance Vest, Real Estate Agent





Madison Economic Development Committee



Madison General Ordinance Sec. 33.17 - *"The Economic Development Committee shall assist city officials and staff in promoting a healthy, diversified economy in which business can locate, innovate, grow and prosper, and all residents have opportunities for living wage jobs. Shall make recommendations to the Mayor and the Common Council on economic development policies and issues."*

2018 Members

Mark Greene, Chair

Alder Mike Tierney

Alder Rebecca Kemble

Alder Steve King

Craig Stanley

Frank Staniszewski

Marianne Morton

Pat Schramm

Susan Bulgrin

Wayne Harris



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