

2017



CITY OF MADISON
ECONOMIC DEVELOPMENT DIVISION

Year End 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.

4.9%

GDP growth for the Madison MSA in 2017. In comparison, the State and National Economies grew by 2.8%.

\$4.75 billion

growth in Madison **tax base** since 2012.

3,000

new Madison residents every year for last five years.

500

new businesses started within the City of Madison since 2009.

20,000

jobs have been created in the City of Madison since the end of the great recession in 2010.

86%

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

2.3%

2017 Q4 Dane County **Unemployment Rate**

Software publishing, biotechnology, healthcare, and food/beverage Industries driving Madison's Job Growth

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

2017 HIGHLIGHTS

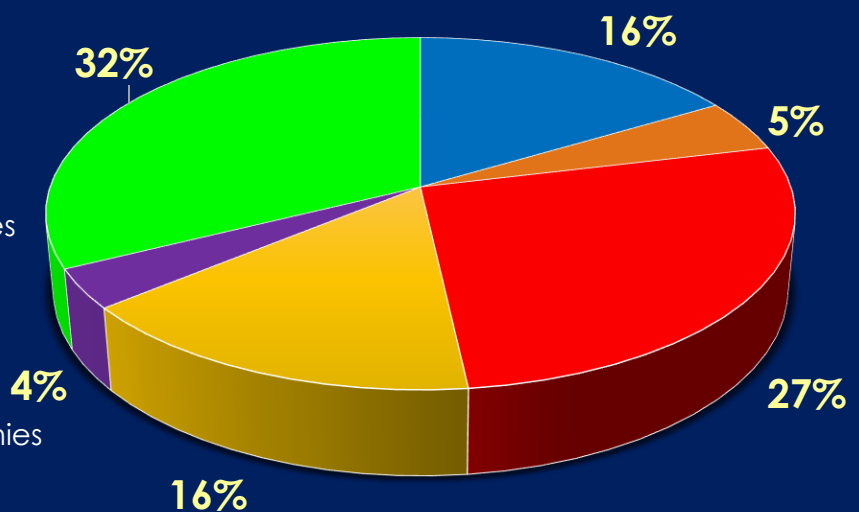
Outreaching to Current and Potential Madison Businesses



- Connected with **881 individual businesses**. These connections include fielding inquiries, providing direct services, connecting businesses with resources, assisting with finding sites, and conducting proactive outreach.
- Conducted the “**Stoughton Road Corridor Business Walk**” with 62 volunteers who **visited 221 businesses in three hours**. The City’s Business Walk program is a coordinated approach to proactively engaging with businesses.
- Responded to **15 national corporate site selector searchers**, including working with the Madison Region Economic Partnership to prepare a proposal in response to Amazon’s search for a new headquarters.
- Sent **20 personal letters to businesses** to commemorate expansions, awards, and other milestones

The Office of Business Resources worked with **881 Individual Businesses** in 2017, providing a range of services and information

- General Business Assistance
- Assisting Startups
- Proactive Outreach to Businesses
- Potential Public Market Vendors
- Site Selection for Large Companies
- Street Vendors



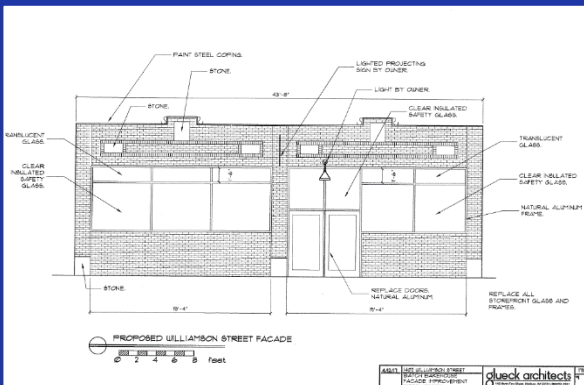
Supporting Madison Businesses



Willy Street Coop North received city support through the Healthy Retail Access Program



Triangle Market received a State Street Retail Grant



Batch Bakehouse received a City Façade Grant.

- Provided **10 retail businesses** with a total of **\$250,000 through the State Street Retail Grant**. These investments supported renovations to help keep local retail thriving in downtown Madison.
- Part of the City's **Façade Grant** program team, which invests in the exteriors of commercial buildings. In 2017, the City provided **11 Grants totaling \$105,000**. [Click Here](#) for more info on the City's Façade Grant Program.
- Utilized the City's Capital Revolving Fund to support **Tribe 9 Foods**. This project is facilitating the expansion of two home-grown Madison companies (RPs Pasta and Yum Butter) as they grow into national brands.
- Worked with the Northside Business Association and Dane Buy Local to plan and conduct a **Northside Bus Tour** highlighting assets and opportunities on Madison's North side.

In 2017, the Economic Development Division launched the **"Business Assistance Team (BAT)."** The purpose of the BAT Team is to create a multi-agency staff team to better coordinate city/business interactions and help businesses navigate city processes. Staff from City departments including Planning, Engineering, Economic Development, Madison Metro, Traffic Engineering, Zoning, Public Health, and the Mayor's Office, are participating. Initial efforts are focused on improving inter-department communications and creating easy-to-read brochures with information on how to operate common types of businesses in the City.

Coordinating Major Economic Development Projects and Initiatives



The “Spark” building is under construction on a land-banked city property and supported by a \$1.5 million city grant to StartingBlock Madison and a City-constructed parking structure.



Economic Development staff is supporting the Oscar Mayer Strategic Assessment Committee and working with the new property owner to reposition the site for new uses.



Artesan Fruit is one of 30 participants in the MarketReady Program, a city initiative to prepare entrepreneurs to operate in the Madison Public Market.

- Advanced the **Madison Public Market** project, including updating the business plan, refining the architectural design, hosting community events, and launching the fundraising effort.
- Launched the Public Market's “**MarketReady**” Program, recruiting **30 diverse, motivated, and unique entrepreneurs** to participate in a training program to develop their businesses to be ready to operate in the Public Market.
- Guided the City's **Cooperative Business Enterprise Program** – a multi-year partnership with community-based organizations to create more worker-owned cooperative businesses.
- Worked with the Doyenne Group to launch the **Technology Business Enterprise Fund** supporting more technology businesses owned and operated by women and people of color. The program has **reached over 610 businesses**.
- Supported the **Allied Community Cooperative** in their effort to bring a grocery to the Allied Neighborhood and initiated discussions with businesses, policy makers, and neighbors about creating an Allied Enterprise Area that would combine African American owned businesses and neighborhood service providers.
- Advanced the transformation of the **Capitol East District**. 2017 saw the groundbreaking of a public/private development bringing together StartingBlock Madison, American Family Insurance, the “Sylvee” concert hall, a brewpub, a 650-stall public parking garage, and an arts incubator space. **This project will become a Midwest epicenter for entrepreneurship, music, employment, and arts.**
- Launched the **Oscar Mayer Strategic Assessment** Committee and working with stakeholders and the property owners to lay the groundwork for repositioning this important site for new economic activity.

Securing Grant Funding for Important Economic Development Projects



Projects supported by WEDC grants secured by the City's Economic Development Division.

- Prepared a successful grant to the Wisconsin Economic Development Corporation to secure **\$250,000 in funding for the City to be used to support Sector 67's** new maker-space on Madison's east side.
- Helped prepare **Madison Metro's federal TIGER** grant application for funding to expand bus service, and **a U.S. EPA grant for Brownfields Redevelopment Funding.**

Since 2014, the Economic Development Division has prepared grants to secure \$1.4 million in funding from the Wisconsin Economic Development Corporation:

- **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.

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



- Launched a new vending program called the Top of State Vending Overlay District (TOSVOD).
- Revamped the City's Food Cart evaluation process.
- Created a "food cart rendezvous" area during Farmers Market Saturdays to address street reconstruction on the square.
- 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

Growing Tax Base and Investing in Business Expansions with Tax Increment Financing



Extreme Engineering New Headquarters



TIF supported Capitol Square redevelopment project built in 2017



Landmark Oaks Office Building

In 2017, Madison's TIF Program provided over \$6 million in loans. These investments will support \$97 million in new tax base and guarantee the creation or retention of over 400 high quality jobs.

- Invested in the creation of a new headquarters for **Extreme Engineering**
 - \$565,000 TIF loan
 - 170 jobs created/retained
 - \$9.1 million in tax valued created
- Assisted **illumina Inc** in the creation of a new facility
 - \$1.9 million TIF loan
 - 100 jobs created/retained
 - \$31 million in tax valued created
- Partnered with **Exact Sciences** in their redevelopment of the former Rayovac property into a new office and laboratory campus
 - \$2.5 million TIF loan
 - 125 jobs created/retained
 - \$32.5 million in tax valued created
- In partnership with the City's Community Development Division, funded the creation of 80 new units of affordable housing at **134 S. Fair Oaks Ave**
 - \$322,000 TIF loan
 - \$4.8 million in tax valued created
- Funded the continued expansion of commercial development on Madison's southside with the **Landmark Oaks** office building
 - \$913,000 TIF loan
 - \$20 million in value created
- Directed \$4,025,000 through the closure of TIF districts to the **2018 Affordable Housing Fund** to support the creation of affordable housing
- Launched the City's "Jobs TIF" Program

Managing and Developing the City's Real Estate Assets



Hatch Building Supply is one of the companies located in Center for Industry and Commerce



The Village on Park is a city-owned asset managed by the Office of Real Estate Services



Theresa Terrace Neighborhood Center

- Generated over \$1.5 million in 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.
- Managed a wide variety of City owned buildings housing everything from neighborhood centers to grocery stores including the **Village on Park, Bridge Lakepoint Neighborhood Center, and Teresa Terrace Neighborhood Center**
- Managed the **sale and development of industrial property** in the City Owned Business Parks

The Center for Industry & Commerce and SE Madison Business Park are industrial parks owned, managed, and marketed by the City to provide sites for expanding companies

CITY OF MADISON Economic Development

Southeast Madison Business Park



Property Highlights

- City-owned land for sale
- Three parcels remaining: a 3.3-acre parcel, a 9.7-acre parcel, and a 5.6-acre parcel
- Municipal water and sewer

CITY OF MADISON Economic Development

The Center for Industry & Commerce







Connected and Convenient

- Adjacent to Dane County Regional Airport (MSN)
- .8 miles south of I-94 full interchange
- Frontage and visibility on Interstate 51 / Stoughton Road

- Covenants supporting quality development
- Served by all municipal utilities
- Close proximity to Madison College, Federal Express and new UW Hosp.
- Will be served by a future bike path

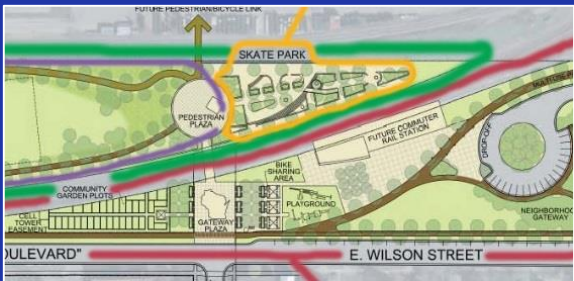
Acquiring Property for City Services and Disposing of Property for Economic Growth



Rendering of Pinney Library, now under construction



Acquired property to facilitate Highway M expansion



Acquired property and relocated tenants to facilitate expansion of McPike Park



Garver Feed Mill Property – Sold by the City to a developer in 2017

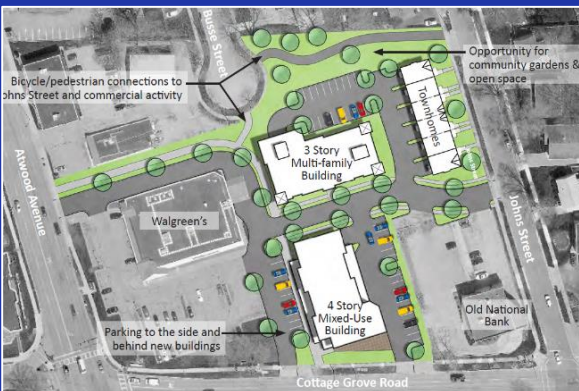
Examples of 2017 Acquisitions

- 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 Highway M as well as the Sands property to expand McPike Park (formerly Central Park).
- Purchased land to support the development of permanent housing for the homeless.

Examples of 2017 Dispositions Completed or Underway

- Sold the **Garver Feed Mill** to a private developer planning the creation of an artisan food production facility.
- Issued an RFP for the sale of the **Truman Olson** property on the City's South side to spur redevelopment.
- Sold property at the **Southeast Madison Business Park** to Vogel Brothers Construction to facilitate their continued growth.

Planning for Madison's Future Economy



- Completed the "CONNECT MADISON" Economic Development Strategy - a blueprint for Economic Development projects for the next five years. The strategy centers on **5 "Priority 1 Projects"** focused on supporting businesses, revitalizing neighborhoods, growing the tax base, and positioning the City for long term success.
- Provided economic development staff support on planning efforts including the **Imagine Madison, the City's dataset inventory, the Cottage Grove Road Corridor plan, and the Monroe Street reconstruction.**

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 (*City became member in 2017*)
 - 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 Vending Oversight Committee
- Hosted two high school summer interns through the **Wanda Fullmore Internship Program** who gained experience in city government by evaluating the Healthy Retail Access Program.



Economic Development Staff

OFFICE OF ECONOMIC DEVELOPMENT DIRECTOR

Matt Mikolajewski , Economic Development Director

Andrea Freedman, Program Assistant

Cristine Klawiter, Clerk/Typist

OFFICE OF REAL ESTATE SERVICES

Matt Wachter, Office of Real Estate Services Manager

Jenny Frese, Real Estate Agent

Heidi Fischer, Real Estate Agent

Joe Gromacki, TIF Coordinator

Kris Koval, Real Estate Agent

Maria LoPiccolo, Real Estate Agent

Dan Rolfs, Economic Development Project Manager

Heidi Radlinger, Real Estate Agent

Lance Vest, Real Estate Agent

OFFICE OF BUSINESS RESOURCES

Dan Kennelly, Office of 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



2017 Holiday Party. Not pictured: Joe Gromacki, Ruth Rohlich, Andrea Freedman, Heidi Radlinger, and Lance Vest





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."*

Members

Mark Greene, Chair

Alder Denise Demarb

Alder Rebecca Kemble

Alder Steve King

Craig Stanley

Frank Staniszewski

Marianne Morton

Pat Schramm

Susan Bulgrin

Wayne Harris



Looking Ahead

The Economic Development Division staff is finalizing our 2018/19 Work Plan and the Economic Development Committee is overseeing efforts to implement the Connect Madison Economic Development Strategy. Our 2018 work will continue many projects from 2017 and will see several new initiatives. Please contact us if you have any questions, ideas, or potential partnerships.





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