

**2011 STAFF REVIEW OF PROPOSALS FOR
COMMUNITY/NEIGHBORHOOD DEVELOPMENT RESERVE FUNDS**
(Housing Development Funds, Affordable Housing Trust Funds, Facility Acquisition/Rehab Funds,
Economic and Business Development Funds, Future Funds)

1. **Project Name/Title:** Food Enterprise & Economic Development Center of Madison (FEED) aka Kitchen Incubator
2. **Agency Name:** Northside Planning Council
3. **Requested Amount:** \$100,000
4. **Project Type:** New project, though \$295,400 funds have already been approved.
5. **Framework Plan Objective Most Directly Addressed by Proposed Activity:**

Objective E: Business Development and Job Creation

6. **Product/Service Description:**

Development of a 22,500 sq ft kitchen incubator on the Northside of Madison that will provide certified production kitchen space as well as technical assistance for food-related businesses and entrepreneurs. NPC is collaborating with Wisconsin Women's Business Initiatives to provide business training and start-up financing for new or expanding enterprises.

NPC anticipates that users of the program will include low-income and ethnic minority Madison residents. NPC has established relationships with Madison Urban Ministry, Madison College Culinary Arts Program, and other related programs that are excited to partner with the FEED project. Through these collaborative relationships some specific kitchen users will include operators of Madison-based food carts, returning prisoners working with MUM's food-service training program, and graduating culinary students.

7. **Anticipated Accomplishments (Numbers/Type/Outcome)**

It is estimated that 25 – 35 FTE jobs will be created. A minimum of 1 FTE job will be created for every \$25,000 of CDBG funds received. NPC estimates that a minimum of 51% of the jobs created will be targeted for individuals whose incomes currently qualify as low or moderate.

8. **Staff Review**

This request is for an additional \$100,000 to help fill a funding gap resulting from NPC's mixed success with grant writing and fundraising efforts. Specifically, the project's anticipated \$100,000 grant from the Dept. of Commerce was provided in the form of a \$25,000 grant and a \$75,000 loan. In addition, the project has learned that they will probably not be eligible for the CD Division's anticipated commercial energy program. And finally, the depressed charitable giving environment has limited NPC's private fundraising efforts to date. They have revised the project pro forma and now anticipate including some debt financing.

The Comm. Development Division has previously committed \$295,400 to this project - \$200,000 through the 2011/12 summer funding process, and \$95,400 recommended through the reserved Northside Neighborhood Planning process.

The project meets CDD funding criteria, and is still seen as a viable enterprise, addressing priority job creation activities. The project addresses priorities identified in the Northside Neighborhood Plan, and enjoys strong support from area Alders. The project has developed strong partnerships with related community agencies and educational or job training institutions. NPC continues to receive regular requests and expressed interest from potential users.

9. Staff Recommendation:

While staff is supportive of the project and its objectives meet CDBG goals and priorities, because of limited reserve fund availability, at this time we can only recommend an additional \$25,000 of CDBG funds for the project.