

Application for Neighborhood and Community Development Funds

Applications should be submitted electronically to the CDD by 12:00 p.m. on the first Friday of the month and will be reviewed by the CDBG Committee on the first Thursday of the following month.

Program Title: <u>Food Enterprise & Economic Development</u>	Amount Requested: \$ <u>154,600</u>
Agency: <u>Northside Planning Council</u>	Tax ID/EIN/FEIN: <u>39-1759164</u>
Address: <u>2702 International Lane, Ste. 203, Madison 53704</u>	DUNS #: _____
Contact Person: <u>Sue Gleason (until 5/9/12) then Cindy Crane</u>	Telephone: <u>661-0060 x 2</u>
Email: <u>director@northsideplanningcouncil.org</u>	Fax: <u>661-0064</u>

- 1. Program Abstract:** Provide an overview of the project. Identify the community need to be addressed. Summarize the program's major purpose in terms of need to be addressed, the goals, procedures to be utilized, and the expected outcomes. Limit response to 150 words.

Goal is to build a 5400 sq. ft commercial kitchen incubator. The primary purposes will be to support creation and expansion of micro-enterprise food businesses, and to provide community job training programs teaching food service and bakery job skills.

Need: There exists no commercial kitchen start-up space or services supporting new food-related businesses or training programs. As a result, food cart operators, food product processors, and caterers have no place to start a business.

Procedures: The project will utilize a standardized business incubator model for food-related businesses, providing commercial kitchen space for rent, on-site business planning and start-up financing through a partnership with WWBIC, and food service and business training programs utilizing curricula developed by Madison College.

Outcomes: Significant increase in successful, food based micro-enterprises, development of job and food service skills resulting in long-term employment.

- 2. Target Population:** Identify the projected target population for this program in terms of age, residency, race, income eligibility criteria, and other unique characteristics or sub-groups.

The target population includes low-income and ethnic minority Madison residents, graduates of the Madison College Culinary Arts Program, operators of Madison-based food carts, returning prisoners served by the Madison Urban Ministry bakery training program, trainees in the River Food Pantry job skill development, food service training, and job placement program, and a co-packing service staffed by persons with disabilities and low-income Madison residents. Many users will be low-to-moderate income individuals seeking to supplement their incomes or to develop a food-related business to support themselves and/or a family.

Outcomes: serve 50 – 75 micro-enterprises in the first year, 70-100 in the second year, conservatively estimating serving 80 – 130 individuals in years one and two of operation. The incubator will also partner with two job training programs employing 3 FTEs as training and coordination staff, plus new trainees each quarter.

Estimated number of new FTEs created in the first two years: 25-30 in year one, 35-40 in year two.
Estimate number of individuals receiving job training and placement: 48 in year one, 64 in year two.

3. Program Objectives: The 5-Year Plan lists 9 project objectives (A through N). Circle the one most applicable to your proposal and describe how this project addresses that objective.

- | | |
|--|---------------------------------------|
| A. Housing – Existing Owner-Occupied | G. Neighborhood Civic Places |
| B. Housing – For Buyers | K. Community-based Facilities |
| C. Housing – Rental Housing | <u>L. Neighborhood Revitalization</u> |
| <u>E. Economic Dev. – Business Creating Jobs</u> | N. Access to Housing Resources |
| <u>F. Economic Dev. – Micro-enterprise</u> | |

This project addresses several objectives listed above: In order of effect: F, E, and L, F & E are addressed by providing both a location and business services to enable food-related businesses to begin, and grow. The goal is to help the businesses grow to the point that they leave the facility and move into a facility of their own, which will include hiring employees as a part of their growth.

L. is addressed as the facility is included in the Northport-Warner-Sherman neighborhood plan as one of the elements key to revitalizing Madison’s Northside.

4. Fund Objectives: Check the fund program objective which this project meets. (Check all for which you seek funding.)

- | | | | |
|-----------------------|--|----------|---|
| Acquisition/
Rehab | <input checked="" type="checkbox"/> New Construction, Acquisition,
Expansion of Existing Building | Futures | <input type="checkbox"/> Prototype |
| | <input type="checkbox"/> Accessibility | | <input type="checkbox"/> Feasibility Study |
| | <input type="checkbox"/> Maintenance/Rehab | | <input type="checkbox"/> Revitalization Opportunity |
| | <input type="checkbox"/> Other | | <input type="checkbox"/> New Method or Approach |
| Housing | <input type="checkbox"/> Rental Housing | Homeless | <input type="checkbox"/> Housing |
| | <input type="checkbox"/> Housing For Buyers | | <input type="checkbox"/> Services |

5. **Budget:** Summarize your project budget by estimated costs, revenue, and fund source.

EXPENDITURES	TOTAL PROJECT COSTS	AMOUNT OF CD REVENUES	AMOUNT OF NON-CD REVENUES	SOURCE OF NON-CD FUNDED PORTION
A. Personnel Costs				
1. Salaries/Wages (attach detail)				
2. Fringe Benefits				
3. Payroll Taxes				
B. Non-Personnel Costs				
1. Office Supplies/Postage				
2. Telephone				
3. Rent/Utilities				
4. Professional Fees & Contract Services				
5. Work Supplies and Tools				
6. Other:				
C. Capital Budget Expenditures (Detail in attachment C) – capital budget attached				
1. Capital Cost of Assistance to Individuals (Loans)				
2. Other Capital Costs:	\$1,427,125	\$500,000	\$927,125	Grants donations Loan if needed
D. TOTAL (A+B+C)	1,427,125	500,000	927,125	

6. **Action Plan/Timetable**

Estimated Month of Completion
(If applicable)

Describe the major actors and activities, sequence, and service location, days and hours which will be used to achieve the outcomes listed in # 1.

Use the following format:
(Who) will do (what) to (whom and how many) (when) (where) (how often). A flowchart may be helpful.

Construction and Start-up Timeline - FEED Incubator

Activity	Dates	Comments
Feasibility Study	April, 2010	DONE by consulting team
Business Plan	Q2,Q3, 2010	DONE by Ellen Barnard, Chair
Secure Financing	Q3,Q4 2012 Q1 - Q4 2012	Potential for multiple grants & local partnerships- Fundraising Team, NPC Board. Loan-Forward Comm. Investment - ongoing
Site Selection	Q2, 2010	Review local options, secure location -DONE
Design Facility	Q3, 2010	Hire architect for facility design - DONE
Policy Development	Q3-4, 2012	Review other incubator policies, craft FEED policies prior to launch, Work with Mary Pat Carlson (consultant) and FEED Manager

		when hired
Construction	Q3-4 2012, Q1 2013	Contractor TBD
Employees	Q4 2012, Q1 2013	Hire of kitchen manager 3 months prior to launch, FEED advisory team & Rena Gelman, SBDC
Equipment purchases/donations	Q2-Q4, 2011 Q1-4 2012 Q1 2013	Martee Mikalson, FEED advisory team works w/ vendors on discounts & donations
Marketing	Q3, 2010; ongoing	Recruit initial tenants, focus on anchor tenants and farm co-packing service, plus the 8 - 10 users who have current business plans. Ellen Barnard, Chair, Lisa Wiese, Co-packing Service Staff, Martee Mikalson, advisory team, Karen Gilbert, advisory team
Finalize Workforce Training Program	Q1-4 2012	Madison Urban Ministry, River Food Pantry to finalize workforce training programs
Facility Opening	Q2 2013	Open house, press event, media coverage, outreach to funders - Kitchen Staff & Team, PR Volunteer Brian Lee

Operations will be carried out by the FEED Advisory Board, WWBIC staff (Business Services & Financing) and the staff for the facility. Staff will be hired approximately 3 months in advance of opening, pending availability of funding.

7. What was the response of the alderperson of the district to the project?

Alder Rhodes-Conway is supportive of the project and of the request for additional funds.

8. Does agency seek funds for property acquisition and/or rehab? [If applicable, describe the amount of funds committed or proposed to be used to meet the 25% match requirements (HOME or ESG) with its qualifications.]

No Complete Attachment A
 Yes Complete Attachment B and C and one of the following:

- D Facilities
- E Housing for Buyers
- F Rental Housing and Proforma

9. Do you qualify as a Community Housing Development Organization (CHDO)? (See attachment G for qualifications.)

No Yes - Complete Attachment G

10. Do you seek Scattered Site Acquisition Funds for acquisition of service-enriched housing?

No Yes - Complete Attachment B, C, F, and H

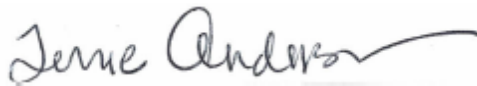
11. Do you seek ESG funds for services to homeless persons?

No Yes - Complete Attachment I

12. This proposal is hereby submitted with the approval of the Board of Directors/Department Head and with the knowledge of the agency executive director, and includes the following:

- | | | | |
|-------------------------------------|---|--------------------------|--|
| <input type="checkbox"/> | Future Fund (Attachment A) | <input type="checkbox"/> | Housing for Resale (Attachment E) |
| <input type="checkbox"/> | Property Description (Attachment B) | <input type="checkbox"/> | Rental Housing and Proforma (Attachment F) |
| <input checked="" type="checkbox"/> | Capital Budget (Attachment C) | <input type="checkbox"/> | CHDO (Attachment G) |
| <input type="checkbox"/> | Community Service Facility (Attachment D) | <input type="checkbox"/> | Scattered Site Funds Addendum (Attachment H) |
| | | <input type="checkbox"/> | ESG Funding Addendum (Attachment I) |

13. Affirmative Action: If funded, applicant hereby agrees to comply with City of Madison Ordinance 39.02(9) and file either an exemption or an affirmative action plan with the Department of Civil Rights. A Model Affirmative Action Plan and instructions are available at: <http://www.cityofmadison.com/dcr/aaForms.cfm>.
14. Non-Discrimination Based on Disability: Applicant shall comply with Section 39.05, Madison General Ordinances, Nondiscrimination Based on Disability in City-Assisted Programs and Activities. Under section 39.05(7) of the Madison General Ordinances, no City financial assistance shall be granted unless an Assurance of Compliance with Sec. 39.05 is provided by the applicant or recipient, prior to the granting of the City financial assistance. Applicant hereby makes the following assurances: Applicant assures and certifies that it will comply with section 39.05 of the Madison General Ordinances, entitled "Nondiscrimination Based on Disability in City Facilities and City-Assisted Programs and Activities," and agrees to ensure that any subcontractor who performs any part of this agreement complies with sec. 39.05, where applicable, including all actions prohibited under section 39.05(4),. MGO." <http://www.cityofmadison.com/dcr/aaForms.cfm>



Signature: _____ Date: _____
 President-Board of Directors/Department Head

May 3, 2012



Signature: _____ Date: _____
 Executive Director

May 3, 2012

For additional information or assistance in completing this application, please contact the CDBG Office at 267-0740.

FUTURE FUND PROPOSAL ONLY

- A. Describe the project features which make this a prototype project, feasibility study, addresses a short-lived revitalization opportunity or develops a new method or approach, which triggered the need for Future Funds.

ATTACHMENT B

COMPLETE IF PROJECT INVOLVES PURCHASE, REHAB, OR CONSTRUCTION OF ANY REAL PROPERTY:

INFORMATION CONCERNING PROPOSALS INVOLVING REAL PROPERTY

ADDRESS	ACTIVITY (Circle Each Applicable Phase)	NUMBER OF UNITS		Number of Units Currently Occupied	Number of Tenants To Be Displaced?	APPRAISED VALUE:		PURCHASE PRICE (If Applicable)	ACCESSIBLE TO INDIVIDUALS WITH PHYSICAL HANDICAPS?		PRIOR USE OF CD FUNDS IN BUILDING?
		Prior to Purchase	After Project			Current	After Rehab/Construction		Currently?	Post-project?	
1502 Pankratz Rd	Purchase Rehab <u>Construct</u>	0	1	n/a	n/a	\$75,000	\$1,000,000	\$62,500	n/a	Yes	n/a
	Purchase Rehab Construct										
	Purchase Rehab Construct										

CAPITAL BUDGET

	TOTAL	Amount	Source/Terms**	Amount	Source/Terms**
Acquisition Costs:					
Acquisition	62,500	60000	CDBG Acquisition - Grant	2500	donation
Title Insurance and Recording	225			225	donations/fundraising
Appraisal				0	
Predvlpmnt/feasibility/market study*	20000			20000	State of Wis. Dept. of Commerce
Survey				0	
Marketing*	20000			20000	donations
Relocation	0	0		0	
Construction:					
Construction Costs	861,900	440,000	CDBG	346,900	Loan, Forward Community Investments or donations 55,000 Madison Community Foundation 20,000 MGE Foundation
Soils/Site Preparation	8000			8000	donations
Construction Mgmt				0	
Landscaping, Play Lots, Signage	2500			2500	In-kind donation
Construction Interest	0	0		0	
Permits; Print Plans/Specs	5000			5000	donations/fundraising
Other -Kitchen Equipment	300,000		donations/fundraising	20,500 Buy Local, Buy WI grant 5000 Webcrafters 5500 Focus On Energy 90000 Discounts, Donations 3750 Cresa Grant 175,250 Fundraising, grants	
Fees:					
Architect	20000			20000	donations
Engineering	20000	0		20000	donations
Accounting*	2500			2500	donations/fundraising
Legal*	3000			3000	in-kind donation, fundraising
Development Fee*	0	0		0	
Leasing Fee*	0	0		0	
Project Contingency:	0		In construction costs estimate	0	
Furnishings:	1500			1500	donations
Reserves Funded from Capital:					
Operating Reserve	10000	0	In operating budget	100000	Donations, grants
Replacement Reserve	0	0		0	
Maintenance Reserve	0	0	In operating budget	0	

TOTAL COSTS:

1,427,125	500,000
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927,125

FACILITIES

A. Recap: Funds would be applied to:

acquisition only; rehab; new construction; acquisition and rehab or construction

B. State your rationale in acquiring or improving this space. (i.e., lower costs, collaborative effort, accessibility, etc.)

This is the most affordable option we were able to locate that will meet the needs of the future users, allow for an energy efficient construction, and provide the commercial-grade utility infrastructure required by this facility. All existing buildings have proven to be too expensive to acquire and rehabilitate to meet the needs of our service population.

C. What are the current mortgages or payments on property (including outstanding CDBG loans)? n/a

<u>Amount</u>	<u>Name</u>
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n/a

D. If rented space:

1. Who is current owner?
2. What is length of proposed or current lease?
3. What is proposed rental rate (\$/sq. ft. and terms) and how does this compare to other renters in building or in area?

E. If this is new space, what is the impact of owning or leasing this space compared to your current level of space costs?

This is a new project, so has no comparables for our organization. Ownership costs and operations will be fully covered by user fees.

F. Include:

1. A minimum of two estimates upon which the capital costs are based.
(Be sure to base your labor costs on enforcement of Fair Labor Standards and the payment of Federal Prevailing Wage Rate.)

We have gotten only verbal estimates to help guide our fundraising efforts. We will be beginning an RFP process to get contractor bids, and will be able to get more exact quotes once this process is finished.

2. A copy of the plans and specifications for the work, or a description of the design specifications you have in mind.

See attached kitchen layout and site layout.

3. If you own the building: A copy of your long range building improvement plan and building maintenance plan.
(Include a narrative describing what the building needs and how you expect to maintain it over time.)

HOUSING FOR BUYERS

A. Recap briefly the key or unique features of this project:

1. Activities to bring it to housing and code standards:

2. Ways to assure the long-term affordability of the unit? (i.e. Repayment or land use/lease restriction or other special funding features to make it affordable):

B. Provide the following information for owner-occupied properties (list each house or unit):

Table B: OWNER									
Unit #	# of Bedroom	Purchase Price	Amt of CD \$	Use of CD Funds*	Projected Monthly PITI	Household Income Category**	Affordability Period # of Years	Sale Price	Appraised Value

* Refer to 24 CFR 92.206 or 570.202 for such costs as construction, acquisition, architectural engineering services, affirmative marketing, relocation.

** Less than or equal to 30% of median income, less than or equal to 50% of median, less than or equal to 60% of median, or less than or equal to 80% of median.

C. Describe proposed improvements to increase the level of accessibility:

RESIDENTIAL RENTAL PROPERTY

A. Provide the following information for rental properties:

Table A: RENTAL						
	Site 1		Site 2		Site 3	
Unit #	# of Bedrooms	Amount of CD \$	Use of CD Funds*	Monthly Unit Rent	Includes Utilities?	Household Income Category

B. Indicate how the project will demonstrate that the housing units will meet housing and code standards.

C. Describe briefly your tenant selection criteria and process.

D. Does the project include plans to provide support services to assisted residents or to link assisted residents to appropriate services? If yes, describe.

TOTAL PROJECT PROFORMA (total units in the project)															
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Revenue															
Gross Income															
Less Vacancy															
Net Income															
Expenses															
Audit															
Taxes															
Insurance															
Maintenance															
Utilities															
Property Management															
Operating Reserve Pmt															
Replacement Reserve Pmt															
Support Services															
Affirmative Marketing															
Other _____															
Total Expenses															
NET OPERATING INCOME															
Debt Service															
First Mortgage															
Other															
Other															
Total Debt Service															
Total Annual Cash Expenses															
Debt Service Reserve															
Cash Flow															
Assumptions:															
Vacancy Rate															
Annual Increase															
Carrying Charges															
Expenses															

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) ONLY

A. Please describe how the organization meets the following key criteria:

- _____ a. Possesses not-for-profit, tax exempt 501(c) status;
- _____ b. Has a board with fewer than 1/3 of its members as public officials;
- _____ c. Includes provision of affordable housing within its statement of purpose;
- _____ d. Includes lower income or lower income representatives for a minimum of 1/3 of its board and includes a means for lower-income participation;
- _____ e. Demonstrates its capacity and experience in service the community.

APPLICATION FOR SCATTERED SITE ACQUISITION FUNDS

Address: _____ Amount Requested:
 \$ _____

1. Which State of Wisconsin statute are you organized under? _____ Chapter 181
 _____ Chapter 185

2. Proposed Acquisition Site:
 - A. Address: _____
 - B. Current appraised value: _____
 - C. Accepted purchase price (if offer has been made): _____
 - D. Number of bedrooms, living units, or shared living units: _____
 - E. Number of square feet on the property: _____

3. Program Abstract: Provide an overview of the service program. Identify the community need to be addressed. Summarize the program's major purpose in terms of problems to be addressed, the goals and procedures to be utilized, and the expected outcomes. Limit response to 150 words.

4. Describe how your target population meets the CDA definition of special needs.

EMERGENCY SHELTER GRANT FUNDING

A. Describe how you coordinate tasks and responsibilities or target groups with other agencies. (i.e., agencies from whom you commonly receive referrals or to whom you make referrals, and the sequence of contact.) Describe, if appropriate, how a partnership will be formed among local organizations and individual involved with the implementation of the program.

B. If funds are requested for supportive services or prevention activities, describe how the service qualifies as a new service or how it will be a quantifiable increase in services.

**5 Year Operating Projection
FEED Kitchen Incubator**

	Year 1	Year 2	Year 3	Year 4	Year 5
Beginning Cash (A)	\$ 100,000	\$ 71,650	\$ 53,789	\$ 67,165	\$ 94,454
Cash Revenues:					
Income from Kitchen Rental	\$ 145,600	\$ 189,280	\$ 227,136	\$249,850	\$ 274,835
Income from Dry & Cold Storage	3,432	4,805	5,766	6,342	7,294
Total (B)	\$ 149,032	\$ 194,085	\$ 232,902	\$ 256,192	\$ 282,129
Cash Expenses:					
Payroll, Payroll Taxes and Benefits	\$ 70,000	\$ 90,000	\$ 92,000	\$ 93,000	\$ 95,000
Occupancy					
<i>Mortgage (P & I)</i>	33,432	33,432	33,432	33,432	33,432
<i>Ground Lease</i>	3,950	4,049	4,150	4,254	4,360
<i>Utilities</i>	30,000	40,000	41,000	43,000	45,000
<i>Repairs and Maintenance</i>	10,000	14,000	16,800	18,480	21,252
<i>Roads and Grounds Maintenance</i>	1,500	1,500	1,500	1,500	1,500
<i>Property Insurance</i>	3,000	3,000	3,200	3,300	3,400
<i>Real Estate Taxes</i>	7,500	7,725	7,957	8,195	8,441
Reserves & Contingency	10,000	10,000	11,000	15,000	33,000
Other - Contracted Services	8,000	8,240	8,487	8,742	9,004
Total (C)	\$ 177,382	\$ 211,946	\$ 219,526	\$ 228,903	\$ 254,389
Surplus/(Deficit) (D)=(B)-(C)	\$ (28,350)	\$ (17,861)	\$ 13,376	\$ 27,289	\$ 27,739
Ending Cash (E)=(A)+(D)	\$ 71,650	\$ 53,789	\$ 67,165	\$ 94,454	\$ 122,194