

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: Food Enterprise & Economic Development Amount Requested: \$ 100,000
Agency: Madison Northside Planning Council (NPC) Tax ID/EIN/FEIN: 39-1759164
Address: 2702 International Lane, Ste. 203, Madison 53704 DUNS #: 809277556
Contact Person: Scott Heinig, NPC Executive Director Telephone: 608-661-0060 x 2
Email: Scott@northsideplanningcouncil.org Fax: 608-661-0064

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.

A food business incubator providing certified kitchen space to new food businesses, low-income community groups, non-profits, and food cart operators for the purpose of economic development and job training.

Need: There exists no small-business start-up space and services for new food-related businesses and entrepreneurs.

Goals: 1. Serve between 80 – 120 businesses, or 100 – 160 individuals per year. 2. Increase availability of local food products to the wholesale & retail markets. 3. Increase incomes for kitchen users.

Procedures: Provide licensed kitchen space for rent, on-site business planning and start-up finance services (by WWBIC), and training for new food businesses.

Outcomes: Increase in income for users and 25 – 35 new FTEs created per year.

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.

Low-income and ethnic minority Madison residents served by area community centers, students & graduates of the Madison College Culinary Arts Program, operators of Madison-based food carts, returning prisoners served by the Madison Urban Ministry food-service training program, users of the River Food Pantry seeking job skill development and food service training. 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.

120 - 160 per year: # unduplicated individuals estimated to be served by this project.

100 per year : # unduplicated households estimated to be served by this project.

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 | L. Neighborhood Revitalization |
| E. Economic Dev. – Business Creating Jobs | N. Access to Housing Resources |
| F. Economic Dev. – Micro-enterprise | |

This project addresses several objectives listed above: In order of effect: F, E, G, K, 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.

G & K are addressed by the Community Training Kitchen and Shared-use conference room spaces that will be available to community members and groups to use to hold classes, shared cooking and food-processing events, and group cooking for fundraising events.

L. is addressed because this will become a place that will attract other potential food-related endeavors, and the facility is included in the Northport-Warner-Sherman neighborhood plan as one of the elements key to revitalizing this section of Madison’s Northside. Dane County is looking at a site next door to this one as a possible location for a produce aggregation facility that would serve their Institutional Food Market customers.

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.

Since this project is a capital project, please see Attachment C for the capital budget. An operating budget is attached as attachment J.

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:				
D. TOTAL (A+B+C)				

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 2010 Q1 - Q4 2011	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	Q1, 2012	Review other incubator policies, craft FEED policies prior to launch, Work with Mary Pat Carlson (consultant) and FEED Manager when hired
Construction	Q4 2011, Q1 2012	Contractor TBD
Employees	Q1, 2012	Hire of kitchen manager 3 months prior to launch, FEED advisory team & Rena Gelman, SBDC
Equipment purchases/donations	Q2-Q4, 2011 Q1 2012	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 2012	Madison Urban Ministry to finalize workforce training program
Facility Opening	Q2 2012	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?

District 12 Alder, Satya Rhodes-Conway, is a strong supporter of the project and its development.

District 15 Alder, Larry Palm, has been informed of the project, as well as this application, yet as the date of submittal, had not commented on the project one way or another.

District 18 Alder, Anita Weier, is a strong supporter of the project and its development.

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

 x Yes Complete Attachment B and C and one of the following:

 x 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

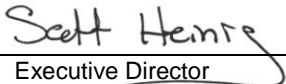
12. This proposal is hereby submitted with the approval of the Board of Directors/Department Head and with the knowledge of the agency executive director, and includes the following:

- | | |
|--|---|
| <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: 6/30/11
President-Board of Directors/Department Head

Signature:  Date: 6/30/11
Executive Director

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.

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	\$60,000	n/a	Yes	n/a
	Purchase Rehab Construct										
	Purchase Rehab Construct										

CAPITAL BUDGET

	TOTAL	Amount	Source/Terms**	Amount	Source/Terms**
Acquisition Costs:					
Acquisition	60000	60000	CDBG Acquisition - Grant	0	
Title Insurance and Recording	225	225	donations/fundraising	0	
Appraisal				0	
Predvlpmnt/feasibility/market study*	20000	20000	State of Wis. Dept. of Commerce	0	
Survey				0	
Marketing*			In operating budget, in-kind donation	0	
Relocation	0	0		0	
Construction:					
Construction Costs	800000	395,400	CDBG	404,600	Fundraising, Mad Comm Foundation, Forward Comm Investment Loan, 6% 25 yrs
Soils/Site Preparation	2500	2500	In-kind donation Vierbicher Assoc	0	
Construction Mgmt				0	
Landscaping, Play Lots, Signage	2500	2500	In-kind donations	0	
Construction Interest	0	0		0	
Permits; Print Plans/Specs	5000	5000	donations/fundraising	0	
Other -Kitchen Equipment	200,000	148000	donations/fundraising	31,500 20,500	Madison Comm Fdn grant Buy Local, Buy WI grant
Fees:					
Architect	5000	5000	in-kind donation/fundraising	0	
Engineering	0	0	Included in construction	0	
Accounting*	2500	2500	donations/fundraising	0	
Legal*	3000	3000	in-kind donation, fundraising	0	
Development Fee*	0	0		0	
Leasing Fee*	0	0		0	
Project Contingency:	30000	30000	fundraising/donations	0	
Furnishings:	1500	1500	donations	0	
Reserves Funded from Capital:					
Operating Reserve	0	0	In operating budget	0	
Replacement Reserve	0	0		0	
Maintenance Reserve	0	0	In operating budget	0	
Vacancy Reserve	0	0		0	
Lease Up Reserve	0	0		0	
TOTAL COSTS:	1,132,225	675,625		456,600	

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 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 are 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.