



Wisconsin

NMTC Allocatee

BMO Harris New Markets Fund
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Janesville Festival Foods

Festival Foods is a Wisconsin-based, family owned grocery chain that saw potential for a new store located in a USDA food desert at the site of a vacated K-Mart in Janesville, Wisconsin. The \$13.5 million project included the demolition and remediation of the K-Mart that closed in 2014 into a 88,415 sq. ft. Festival Foods grocery store with mezzanine and offices. The cost to clear the project site, perform environmental remediation, and prepare it for construction were higher than at a vacant site, requiring additional capital to make the project's lease viable. Efforts to secure subsidies and TIF funds from the City of Janesville were unsuccessful.

BMO Harris New Markets Fund, controlled by BMO Harris Bank, provided \$8 million in NMTC financing, with Chase making an equity investment and providing more than \$2.6 million in capital to fund the project. Festival Foods provided more than \$620,000 in their own equity, and BMO Harris Bank provided project loans of more than \$10 million. BMO Harris Bank has a longstanding business relationship with the owners of Festival Foods and became aware of the project through their staff.

In addition to providing fresh, accessible groceries to the area's low-income community and residents, the Project will help eliminate the retail leakage associated with not having adequate grocery options available. ESRI Market Research shows a retail gap of \$23.8 million in the 5 mile radius of the site for grocery store sales. During construction, the project created 98 direct jobs with an average salary of more than \$51,000. Upon completion in October, 2015, the store now employs 73 full-time positions, 57 as cashiers or floor staff at an average wage of \$13.02 an hour and 16 FTE management positions at an average wage of \$23.90 an hour.

Community Profile

Janesville, WI

Median Income 69.4%
Compared to AMI

Project Highlights

- Investor: Chase
- Total Project Costs: \$13.5M
- NMTC: \$8M
- Jobs: 98 construction, 73 full-time, permanent
- USDA food desert

