

50 Projects – 50 States: Wisconsin

NMTC Allocatee

Wisconsin Community Development Legacy Fund with sub-allocation to

Impact Seven, Inc.

Almena, WI

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Community Profile

- Designated redevelopment district
- TIF district
- Brownfields redevelopment area
- Medically underserved region



Project Highlights

- Real Estate: manufacturer expansion
- Total Project Cost: \$10 million
- NTMC: \$10 million
- Investor: US Bank
- Jobs: 50 construction, 86 retained and 45 new manufacturing

Main Street Ingredients

La Crosse, WI

Main Street Ingredients (MSI) provides dairy-based food ingredients to the dairy, food processing, and nutritional industries. It is located in La Crosse (population 52,000), a small community which has been adversely impacted by business flight and closings over the last five years. MSI's expansion is part of a broader effort to reinvigorate the economy of La Crosse as well as maintain and create jobs, which in turn would benefit the entire State of Wisconsin. Wisconsin Community Development Legacy Fund (WCDLF) asked Impact Seven (I-7) to manage their New Markets Tax Credits (NMTCs) designated for rural areas. Impact Seven (I-7), then used its NMTC allocation to provide \$10 million in debt and equity for the MSI project that would have exceeded the ability of local banks to finance on their own.

The MSI property is located in a technology zone and is a qualified New Markets Tax Credit census tract. This community has been substantially impacted by the closure of the local K-Mart and Fleming Companies, a local employer that had over 1,000 workers and laid off almost 340 people in late 2003. This was followed by an announcement in early 2004 that Associated Banc-Corp would be cutting 225 back-room jobs. These cut-backs on top of a series of out-migrations by various companies since 2000 had left workers in the La Crosse area with a feeling of unease regarding continued opportunity.

The NMTC financed expansion ensured that MSI will remain competitive into the future and provided a real boost to the local economy. MSI's 50,000 square foot expansion included new laboratory space, employee facilities, production areas, and warehousing. The company utilizes vendors in 20 different communities in Wisconsin for a total of over \$16 million in goods purchased from these vendors annually. Twelve of the vendor communities are located in rural areas of the state.

The financing was provided in three separate seven-year interest-only below-market loans. After the loan term ends the CDE may continue as an equity investor, thereby ensuring the patient flow of capital MSI needs to expand its business over the long term.

Impact Seven, based in Almena, Wisconsin is a nationally recognized leader in the creative ways it has fostered economic development, especially in rural and distressed areas. Since 1970, it has been involved in a diverse range of activities such as managing 10 revolving loan funds and now as a Community Development Entity (CDE), I-7 has used the same resourcefulness to leverage the New Markets Tax Credit to achieve maximum economic impact.