



**Milwaukee Economic  
Development Corporation**

Celebrating 2009 City Hall Dedication

**medc**

MILWAUKEE

**medc**

CAPITAL FUND I, LLC

**D**uring 2008, MEDC provided loan assistance to 100 companies through the Second Mortgage and Capital Access Programs. This assistance in combination with bank and private capital generated over \$33 million of private sector investment and promises 250 new jobs.

In October, 2008, MEDC was awarded a \$50 million allocation of New Markets Tax Credits. These credits will make it possible for MEDC to expand its New Markets Tax Credits Loan Program, which delivers low cost financing to federally designated areas in the City of Milwaukee.

In addition to direct loans, MEDC assisted the following firms with economic development resources:

- Hellerman Tyton Corporation, a global leader in the design and manufacturing of high quality cable ties in a variety of styles, sizes, materials, and colors, relocated 200 jobs to Milwaukee from Florida.
- Astronautics Corporation expanded its operations with City of Milwaukee assistance. Astronautics is a 50 year old company with 670 employees in Milwaukee that designs, develops, and manufactures electronic navigation and instruments for the air, space, and rail transportation markets.
- Super Steel Products Corporation, working with MEDC and the Milwaukee 7, moved 150 jobs to Milwaukee from New York aided by a \$200,000 City of Milwaukee forgivable loan. Super Steel provides engineering, fabrication, assembly and finishing of heavy steel products for the industrial, rail, construction and agriculture markets.
- Direct Supply, a rapidly growing health care provider for the senior care market, completed construction of its first connector building adding 90,000 SF of office space that, to date, has resulted in 270 new jobs.

This multiyear project has been a cooperative effort of MEDC, the City of Milwaukee and the Milwaukee 7.

In 2008, MEDC's land development partnership with the Redevelopment Authority yielded two new businesses: Charter Wire with a \$20 million, 150,000 SF building and 115 jobs; and Derse, Inc. in a new 155,000 SF building employing 140 workers.

Also, the Towne Corporate Park of Granville, a partnership with Towne Realty, added two new projects. Kohl's developed their own photo studio with a 100,000 SF building including 35 photo bays, a digital photo lab, a prop room, seven make-up rooms, and rooftop shooting space for outdoor photography. The project provides 70 jobs. The Towne Corporate Park also added Design Specialties, Inc. with a 40,000 SF building for the production of high end glass fireplace doors.

In total in 2008, MEDC assisted 108 business development projects that resulted in more than \$82 million in private investment promising in excess of 1,100 new jobs in the City of Milwaukee.



Left to right: Scott Welch, Charles Trainer and Max Dermond.

## MEDC Financial Report

	2006	2007	2008
<b>Loans Receivable</b>			
<b>Net of Loan Loss Reserve</b>	\$53,610,468	\$59,275,842	\$56,995,846
<b>Loan Loss Reserve</b>	\$5,804,000	\$6,882,276	\$9,000,000
<b>Total Assets</b>	\$61,660,120	\$66,991,250	\$65,357,915
<b>Fund Balance</b>	\$54,889,702	\$58,310,447	\$58,176,795
<b>Loan Interest Income</b>	\$2,982,714	\$3,285,175	\$4,079,618

This report is a combined statement for MEDC and MEDC Capital Fund, LLC. Audited financial statements are available upon request. In December of 2008, the Executive Committee approved a \$2.1 million increase in MEDC's loan loss reserve fund. The increase reflects our best assessment of the impact of broad recessionary pressures on our portfolio. Charge offs for actual losses in 2008 totaled \$819,300. This includes \$538,000 for direct loans and \$280,000 for claims on our Capital Access Program. MEDC's ratio of charge offs to total loans continues to match or better US banks as a whole.



### **PBH Redevelopment, LLC**

MEDC was proud to assist the inaugural redevelopment project in "The Brewery," the former Pabst Brewery site. This twenty acre complex had been a vacant, abandoned site for over ten years. Joe Zilber purchased the property with a vision of a diverse,

redevelopment, Trainer indicated they saw the potential and "wanted to be part of creating a new historic community." As they toured the complex they recognized the unique opportunity, the historic preservation possibilities, and the proximity to the downtown and Park East redevelopment area. Gradually

mixed-use redevelopment project including residential, office, and retail uses in both new and renovated buildings. The \$50 million project was initiated in 2007 and is assisted by the City and Redevelopment Authority.

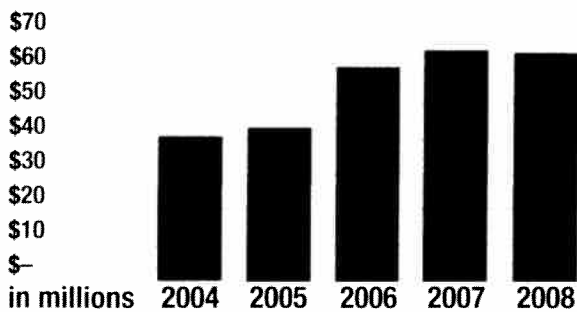
The first building renovation project undertaken was the "Boiler House," purchased by Charles Trainer and Max Dermond as lead investors. When asked what prompted them to lead off the former brewery

narrowing their focus to the Boiler House, Building #10, the Dermond Brothers and Trainer quickly appreciated its amenities such as adjacent parking and few environmental or demolition problems to address. In addition, the building was structurally sound, had generous natural light and was located in a small cluster of historic Pabst buildings that could be the catalytic driver of the larger complex.

Convinced of the feasibility of the project, they assembled an investor team including Trainer, Max and Eric Dermond, Scott Welch of Inland Properties, Albion Group principals, and AMB Development Group principals. The package included loans from M&I Bank, and MEDC, state and federal historic preservation tax credits, a Wisconsin Preservation Fund loan, New Markets Tax Credits and a City of Milwaukee façade grant.

Today, the 19th century, cream city brick structure has been renovated into modern office space. The historic integrity has been maintained and the building meets LEED sustainability criteria. With the completion of the Boiler House project, these investors have once again taken their development experience and extensive knowledge of historic preservation and helped launch a new 'community' for The Brewery complex, the Park East and the City of Milwaukee.

### **MEDC Loans Outstanding**



### **Community Impacts**

<b>Loan to minority owned firms</b>	<b>57%</b>
<b>Loans to women-owned firms</b>	<b>40%</b>
<b>Loans in Renewal Community</b>	<b>30%</b>
<b>Loans in New Markets Tax Credit neighborhoods</b>	<b>61%</b>

## Omni Family Medical Clinic, S.C.

Dr. Adalo Nunyakpe, owner of Omni Family Medical Clinic, opened his second office at 1134 West North Avenue in 2008 with a loan from MEDC for the purchase and renovation of the building. Born and

raised in Togo, Africa, Dr. Nunyakpe attended Medical School in Beijing, China, and came to the United States for his residency, eventually settling in Milwaukee working as a family practice physician for a large health care provider.

In 2001, he left the large care provider



Family Medical Clinic and has two physicians and a nurse practitioner in the practice. All are family practice physicians treating each patient for their individual needs while getting to know the patient as a person. The clinic offers prenatal care, pediatric and adolescent medicine, gynecology

organization and joined the entrepreneurial world, opening his own practice in rented space. Since then he has purchased two buildings for the Omni

and obstetrics, geriatrics, and pain management, including some treatment techniques learned during training in China.

The vision for Omni Family Medical practice is "Let Our Family Care for Your Family" and this truly exemplifies the vision and philosophy of Dr. Nunyakpe. As a primary care provider, he says family practice "takes a special type of doctor, someone who relates to people." He realizes this approach takes more time and is hard work and "doesn't pay as much," but he finds it very satisfying and rewarding. He is optimistic that the health care field will slowly recognize the importance of primary care providers.

## Design Specialties, Inc.

Design Specialties, Inc. (DSI) is a new addition to the Granville Business Park. After an extensive search for a building, the company purchased a parcel on Heather Avenue in mid-2008 and began the building process for a new 40,000 SF building with a December, 2008 move-in date.

Design Specialties designs and manufactures glass fireplace doors. DSI considers the fireplace the focal point of the room. DSI owner Pat Gengler states, "We bring creativity to the fireplace market by customizing designs using laser cut steel. We focus on turning your fireplace into a work of art. We literally have an artist who has a patented process for using the fireplace door as a piece of art." Working with DSI, it is possible to have your initials, a custom design, or even an image from your favorite sports team incorporated onto your fireplace door.

Pat Gengler purchased the company in 1996. He liked the product, the potential for product innovation and the customer service philosophy that existed in the company. Product innovation



Karen and Pat Gengler

continues to lead company growth with the introduction of steel frame doors and the addition of a new state of the art powder coating process allowing a wide range of attractive, durable finishes to complement the traditional plated and anodized finishes.

In an economy where credit was tightening, Mr. Gengler was able to find partners to move his project forward. He stated that he is very grateful to all the partners who helped make this

project and its timeframe a reality including James B. Luterbach Construction, TCF Bank, MEDC and the City, which expedited permitting for construction. Shortly after DSI moved into the new building late in 2008, a potential new customer came through the building and contracted for a large project using the new powder coat line, a project that could not have been handled in the old space. The building is already a success.

## A message from Mayor Tom Barrett

Milwaukee exudes a 'Fresh Coast' spirit of innovation, energy and entrepreneurship that we're tapping to grow jobs and grow our region. The City of Milwaukee and the Milwaukee Economic Development Corporation work as partners to turn innovation and energy into opportunity. Through focused investment of our limited resources, we help position companies to grow during even our more challenging times.

I am proud of the Milwaukee Economic Development Corporation's successes and business growth represented in this annual report.

Altogether, MEDC assisted 108 businesses in 2008 representing

\$82 million in private investment and creating 1,195 new jobs.

In 2008 we were successful in expanding our economic development toolbox through a \$50 million allocation of New Market Tax Credits to MEDC. These credits allow MEDC to expand its loan program, and assist more small businesses and development projects in low-income neighborhoods of Milwaukee.

MEDC is the backbone of our business outreach program, working in tandem with staff of the Milwaukee Regional Economic Development Initiative to retain, grow and attract businesses. It is this kind of outreach

that will position us to compete globally, making the 'Fresh Coast' the place to grow!



Tom Barrett,  
Mayor, City of Milwaukee  
& MEDC Board Member

## Milwaukee Economic Development Corporation (MEDC) Financed Projects 2008

### **First Edge Solutions, Inc.**

Purchase Assets  
\$500,000  
JP Morgan Chase Bank  
Jeffery Childs

### **Omni Family Medical Clinic, S.C.**

Building renovation  
\$400,000  
JP Morgan Chase Bank  
Jim Kelly

### **Forest Home Animal Clinic, S.C.**

Building expansion  
\$551,000  
M&I Marshall & Ilsley Bank  
Tom Gavigan

### **First Place Dentistry, LLC**

Purchase commercial condo  
\$336,000  
Johnson Bank  
Jasin Pasho

### **Alpha Source, Inc.**

Purchase warehouse and office building  
\$500,000  
Associated Bank  
John Verthein

### **Michael DeWan, D.D.S., S.C.**

Construction of dental office building  
\$500,000  
M&I Marshall & Ilsley Bank  
Ann Granitz/Joe Ruppel

### **Keller Investments, LLC**

Construction of dental office building  
\$182,000  
M&I Marshall & Ilsley Bank  
Ann Granitz/Joe Ruppel

### **PBH Redevelopment, LLC**

Redevelopment Pabst Boiler House  
\$550,000  
M&I Marshall & Ilsley Bank  
Jeff Nauth

### **Stern Tanning Co., Inc.**

Purchase, renovate building  
\$200,000  
Park Bank  
Bryan Swanson

### **Angelica Angel Agency, LLC**

Construction of office building  
\$230,000  
Tri City National Bank  
Ivan Gamboa

### **Material Recovery, Inc.**

Purchase, renovate building  
\$346,250  
M&I Marshall & Ilsley Bank  
Scott Russell

### **Brelie Gear Company, Inc.**

Purchase milling machine  
\$172,000  
M&I Marshall & Ilsley Bank  
Griffin Prochnow

### **Building & Landscape Services, Inc.**

Purchase building  
\$144,800  
Wells Fargo  
Dan Delgadillo

### **Record Lab Studio**

Purchase building  
\$40,000  
Layton State Bank  
Sherry Saiki

### **Simon Landscape Company, Inc.**

Purchase building  
\$108,000  
PyraMax Bank  
Kevin Carney

### **Northwest Funeral Chapel, Inc.**

Building renovation  
\$100,000  
North Milwaukee State Bank  
Errol Barnett

### **John M. Ellsworth Co., Inc.**

Purchase building  
\$500,000  
M&I Marshall & Ilsley Bank  
Richard Bongiorno

### **Carolina Conti M.D., S.C.**

Construction of medical office building  
\$203,600  
US Bank  
Ryan Heckman

### **Design Specialties, Inc.**

Construct manufacturing building  
\$500,000  
TCF National Bank  
Mark Pietrowiak



## A message from the MEDC Board Chairman

Like cities and businesses everywhere, the Milwaukee Economic Development Corporation (MEDC) was not immune to the challenging economic environment in 2008 - making fewer loans in a markedly down economy. Nevertheless, the organization's portfolio remains strong.

If necessity is the mother of invention, then entrepreneurship is an antidote to recession.

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MEDC clients range from emerging start-ups like the Omni Family Medical Clinic, S.C. to Astronautics, a 50-year-old manufacturer of navigation instruments. All our clients represent a spirit of invention and growth that will provide the cornerstone to the next generation of Milwaukee businesses.

MEDC remains a strong partner in the Milwaukee 7 economic development initiative, which brings together the combined expertise and experience of economic development organizations throughout Southeastern Wisconsin.

Through these strategic alliances, we are working cooperatively toward common goals

of growing, expanding and attracting business and talent in the Milwaukee Region.

We remain committed to our mission and our customers, and we look forward to building on a track record of success. I congratulate our committed staff and volunteer professionals for making the MEDC and the Milwaukee business landscape better each day.

Timothy R. Sheehy,  
President, Metropolitan Milwaukee Association of Commerce (MMAC) & MEDC Board Chairman

## Board of Directors

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Comptroller, City of Milwaukee

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Alderman, 15th District,  
City of Milwaukee

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Alderman, 2nd District,  
City of Milwaukee

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Northwestern Mutual

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McKey Perforating Co.

**Mark Lemke** (2, 4)  
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The Private Bank

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Development Service Co., LLC

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**John Galanis** (2)  
Attorney, Galanis, Pollack, Jacobs  
& Johnson, S.C.

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Cross Management Services, Inc.

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Harris Bank

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Deputy Commissioner,  
Department of City Development

**Richard Marcoux**  
Commissioner,  
Department of City Development

Committee assignments:  
1 - Executive  
2 - Loan  
3 - Audit  
4 - Land Resource Development