

FITCHBURG COMMUNITY & ECONOMIC DEVELOPMENT AUTHORITY



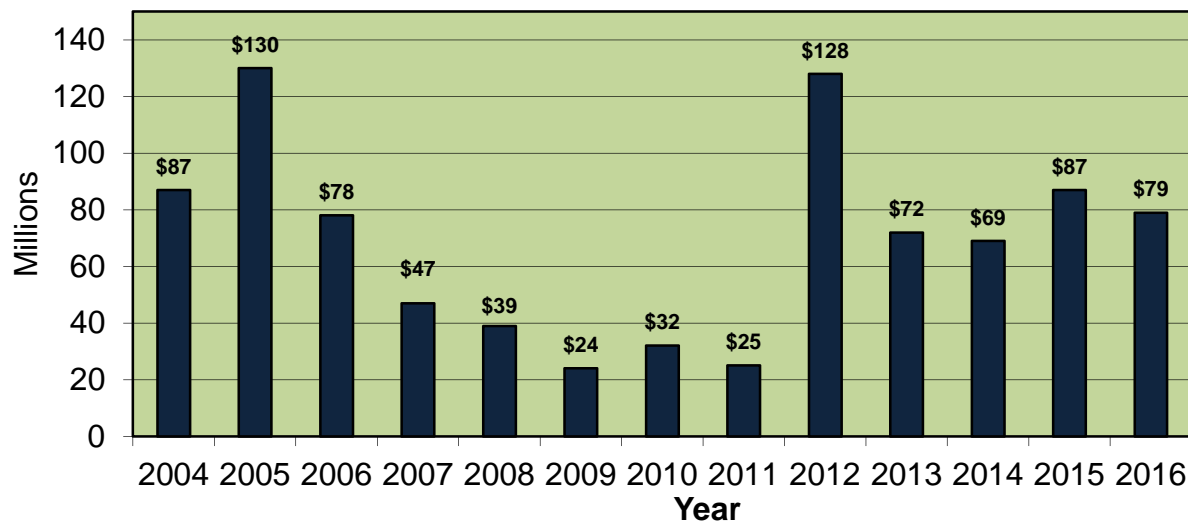
ANNUAL REPORT 2016

Executive Summary

Fitchburg Community and Economic Development Authority
Stewart Brown, Chair, Julia Arata-Fratta (Council Rep), Dan Hardy, Dorothy Krause (Council Rep),
Wanda McCann-Smith, Andy Potts and Arlene Silveira
Staff liaisons: Michael Zimmerman and Joyce Frey

CITY OF FITCHBURG New Construction Value in Millions

Fitchburg Building Construction Permit Value



2016 Nets \$79 Million in New Construction Value

Fitchburg's construction activity for 2016 was near \$79 million in value. A total of 870 building permits were issued. Of the 870 permits issued, 5 were for multi-family dwellings totaling 107 units. 7 permits were for commercial buildings and/or alterations. The 7 commercial permits were for construction of new buildings as follows: Benjamin Investment office building, Benjamin Plumbing Corporate Office, Cameca Instruments research and development, manufacturing and office, Sub-Zero training facility, Staybridge Suites Hotel, Pet Supplies Plus and the West Fire Station. 36 new single-family dwellings were constructed in 2016 along with 9 two-family dwellings.

The number of existing businesses has remained at a steady rate of +/- 750, for the 2015 and 2016. 1995 was the first year that the City established a listing of the number of businesses located in Fitchburg. Since then, the percentage of increase in the number of businesses is up 164 percent. Business retention visits have indicated that the economy is progressively getting better, with some existing business expansion projects that were previously put on hold, now moving forward.

ECONOMIC DEVELOPMENT

North Fish Hatchery Road Redevelopment Focus Continues



The developer and investors, who proposed a new hotel on North Fish Hatchery Road continue to complete their due diligence on redevelopment of the on the property owned by the Fitchburg Christian Fellowship Church. The proposed new hotel with a conference center and restaurant are approved for the former church site. The church will be constructing a new facility on another site near the hotel. Construction of the hotel is expect to start in Summer of 2017. There continues to be interest in the east side of North Fish Hatchery Road but the development community is waiting to see where the new signalized intersection will be installed on the west side of the road.

Me & Julio Tex-Mex Restaurant Opens in Fitchburg Center

In May, Me & Julio opened in Fitchburg Center on the former site of the Veranda Restaurant. Me & Julio is a Tex-Mex themed restaurant.



Former Casa Del Sol Becomes the Thirsty Goat



In early 2016, Casa Del Sol closed and was rebranded to the Thirsty Goat. Future plans include an in-house micro-brewery.

Sub-Zero Group Continues to Make Investments in Fitchburg Campus

With the 435,000 square foot, \$70 million dollar manufacturing facility addition complete and operational, Sub-Zero Group embarked on another project in 2016. Construction of a 6,000 square foot training facility broke ground in fall of 2016 with a capital investment of \$5.41 million. The new training facility is located west of Sub-Zero's manufacturing facility. City staff worked



with Sub-Zero and WisDOT to secure a \$1,000,000 TEA grant for the extension of Commerce Park Drive and Sub-Zero Parkway. Fitchburg is proud to be the home of Sub-Zero's new "Cove" dishwasher line.



Benjamin Investment 3 Story, Class A Office Under Construction

As the reconstruction of Verona Road continues to take shape, the intersection of Verona Road and McKee Road has also seen a transformation. Benjamin Investments is constructing a 54,000 square feet three story, Class A office building with an estimated \$12 million investment. The building features underground parking and has set the standards for redevelopment in the Jamestown/Anton Drive neighborhood.



Benjamin Plumbing Finds New Home in the Fitchburg Commerce Park



Benjamin Plumbing moved into its new \$2.9 million 34,000 square foot facility in the fall of 2016. The new headquarters relocated from King James Way to Commerce Park Drive as part of the Verona Road reconstruction project.

Cameca Instruments Breaks Ground on New Facility

New Venture Center's 2nd Graduate



Cameca Instruments, a high precision microscope company, broke ground in December for their new office and manufacturing facility. Cameca Instruments, manufacturer of high-precision microscopes became the second graduate out of the New Venture Center incubator and accelerator building.

Cameca's new \$6,000,000 facility is a 28,568 square foot research and development, manufacturing and offices.



Pet Supplies Plus Opens December in Orchard Pointe



Pet Supplies Plus, a national retailer of pets and pet supplies opened a 9,183 square foot retail store front in Orchard Pointe on December 16th. The store is located next to Golds Gym.

Staybridge Suites to Open in 2017



Staybridge Suites, a 100 room extended stay hotel is underconstruction in the Orchard Pointe development. A July 2017 opening is expected.



CEDA Marketing and Promotion via Print

CEDA again purchased ad space in the Fitchburg Chamber Visitor + Business Bureau guide and map and the Madison Region Economic Partnership (MadREP) annual publication. The Fitchburg Chamber guide circulation is 18,000 copies. The MadREP publication print circulation is 8,000. In addition to the MadREP print ad, the City has a banner on the online version of the magazine.



Economic Development Staff Receive

Certified Digital Economic Development Executive Status



Mike Zimmerman, Economic Development Director, and Joyce Frey, Economic Development Specialist completed a 14 webinar session which provided material on strategies to compete in the global market place using digital media. In addition to their respective individual certifications, the City of Fitchburg was awarded the Certified Digital Organization designation.

Verona Road Business Coalition: 2016 Review and Accomplishments



The Verona Road Business Coalition (VRBC) continues its advocacy, education, communication, marketing and promotion for the Verona Road area businesses. As part of their advocacy, the VRBC was present at all weekly construction meetings with WisDOT and their project team, included WisDOT at their Annual Meeting, their Oktoberfest fundraiser and at the “Road is Open” Ribbon Cutting. The VRBC were the first responder to issues related to the Anton Drive, Williamsburg Way and Nesbitt Road reconstruction and coordinated wayfinding signage for the detours during this phase of construction. VRBC’s educational sessions included seminars by Andrew Foxwell and Don Stanley that focused on marketing and social media. In 2016, the VRBC organized the Small Business Saturday campaign for the Corridor, the “Jingle & Mingle” Holiday Open House, “Road is Open” Ribbon Cutting and the first annual Town Hall Meeting at Epic. The VRBC held its second Oktoberfest celebration at Quivey’s Grove. 356 tickets were sold in 2016 versus 251 in 2015 or a 42% increase in sales. VRBC worked in improve its website and social media presence via Twitter and Facebook. Fifty+ individuals volunteered over 600 hours to the VRBC in 2016. Mike Zimmerman serves on the Executive Board and Joyce Frey is on the marketing committee.



VeronaRoad.Info

Anton Drive Planning Study Completed and Seeks Final Approval



With the major reconstruction of Verona Road, the City realized that there was an opportunity to establish a future vision for the corridor. In doing so, the Common Council approved the Anton Drive Planning Study as part of the 2015 operating budget. The Anton Drive Planning Study funding was included in the 2015 and 2016 Capital Improvement Plan. Due to its regional impacts, the City was awarded a \$15,000 BUILD (Building Urban Infill Land Development) Grant from Dane

County to assist with funding. In 2015, the City awarded the contract to MSA to complete the study. In 2016, the Anton Drive Steering Committee was formed to assist MSA with the study. The 12 member steering committee consisted of stakeholders such as residents, land owners, businesses owners, and representatives of both the City of Madison and City of Fitchburg. In addition to the input from the steering committee, stakeholder interviews were conducted and resident open houses were held. The final draft was completed in December and will go to the Common Council for final approval in February 2017.

Forward Fitchburg: Implementation and Branding Initiatives



The City continues to work on implementation of the brand and placemaking initiative that were identified in the Forward Fitchburg City in Motion Plan. Two projects that were identified in the plan were completed in 2016. The first project was to better identify buildings located in the City's civic campus. Building identification lettering and address numbers

were installed on the City Hall, Community Center, Senior Center and Library.



The second project was to install Welcome to Fitchburg signs at the entrance to the City at North Fish Hatchery Road and McKee Road.



The street sign topper project was also completed in 2016.

“Growing a Company and a Community in Small Town Wisconsin” was the Theme of the 2016 Fitchburg Business Appreciation Luncheon Featuring Zach Halmstad as the Keynote Speaker

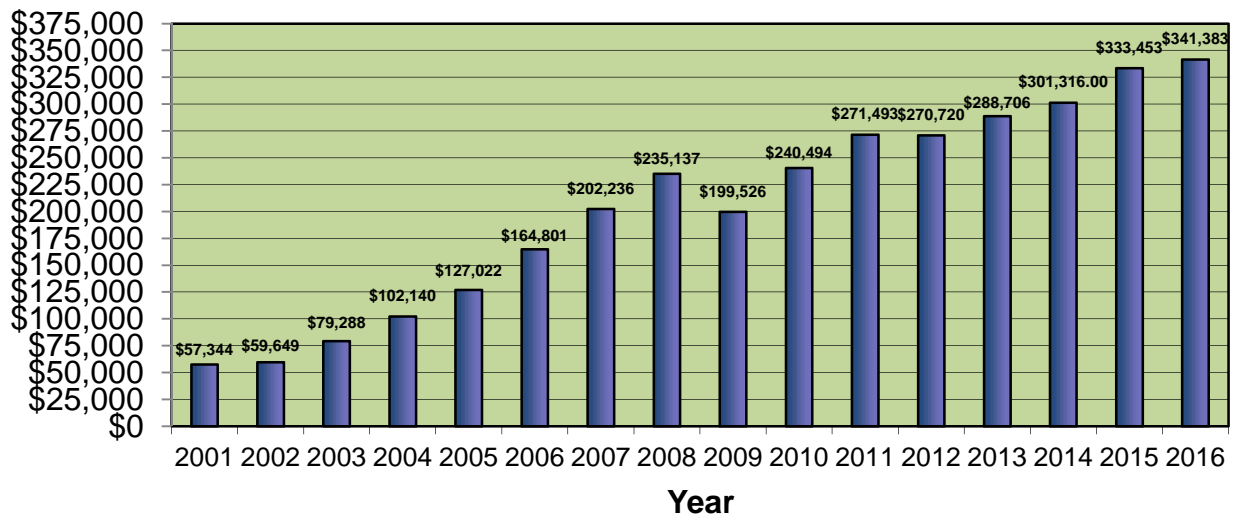
On Thursday, November 17th, 330+ Fitchburg business owners, civic leaders and City guests attended the annual Fitchburg Business Appreciation Luncheon at the BTC. This year’s keynote speaker was Zach Halmstad, Entrepreneur and Co-Founder of JAMF Software. Zach is known throughout Wisconsin as a bright, young entrepreneur who is not only a smart business man but holds a special place in his heart for his hometown of Eau Claire. Through his keynote; “Growing a Company and a Community in Small Town Wisconsin”, Zach shared his insight into growing up, attending college and starting his company in Eau Claire, Wisconsin. He believes that giving back to his community via being active in the revitalization of downtown Eau Claire has provided his company the opportunity to compete in the global marketplace when recruiting a talented workforce.



Community Development

Hotel Room Tax Collections

Fitchburg Room Tax History



Fitchburg Hotel Room Tax collections for 2016 were \$341,382.95 or a 2.4 percent increase from 2015. Fitchburg hotel room night generation is based strongly on corporate room night demand. In 2016, both the Country Inn and Suites and the Wyndham Garden Inn were renovated. The Quality Inn was rebranded to the Wyndham Garden Inn.



Prior to January 1, 2017, at least 70% of the revenue must be used for tourism, marketing, promotion related purposes. Under the initial 5% hotel

room tax rate, the City of Fitchburg has an investment agreement at 7% of our revenue with the Greater Madison Convention and Visitors Bureau (GMCVB) which results in Fitchburg lodging establishments receiving additional benefits. We also have a contract with the Fitchburg Chamber



Visitor + Business Bureau, who receives 30% of room tax revenue to partner with the City on marketing, tourism and leisure related activities. Under the 1% rate that started in 2010, 70% is allocated to the Madison Area Sports Commission, while CEDA oversees the remaining 30%

that they have directed to be used for sports related activities or infrastructure.

In 2015, Wisconsin ACT 55 was passed that changes the way that hotel room tax dollars must be allocated. In 2016, the City of Fitchburg worked with the Fitchburg Chamber Visitor + Business Bureau to become the City's Tourism Entity as required by the new legislation. As of January 1, 2017 The Fitchburg CVBB will now receive 70% of the hotel room tax collections which will be used for tourism marketing and tourism promotion. The Fitchburg CVBB will continue to partner with the Madison Area Sports Commission and the Greater Madison Convention and Visitors Bureau on behalf of the City. The remaining 30% of the funds will be retained by CEDA. As the City updated its hotel room tax ordinance to be in compliance with Wisconsin ACT 55, the hotel room tax rate was increased to 7%.



Room Tax Investments in Tourism and Marketing of Fitchburg



CEDA continues to sponsor the Capital City Jazz Fest. The 2016 Fest was held at the Wyndham Garden Inn from April 29th thru May 1st. The event was again considered a huge success. The Madison Jazz Society, which sponsored the Capital City Jazz Fest, reserved a block of rooms at the Wyndham Garden Inn and Candlewood Suites. 791 people attended the Fest.

BTC Educational Series Sponsorships

CEDA was a gold sponsor for the 2016 BTC Events: 11th Annual Wisconsin Stem Cell Symposium and the International Forum on Consciousness. The BTC Educational Seminars attendance is approximately 300 participants for each event. Hotel rooms are blocked at the Wyndham Garden Inn and Country Inn and Suites. In addition to these events, the BTC and Promega utilize all of the Fitchburg hotels for corporate customers throughout the year.



Bike for Boys and Girls Club Fundraiser Exceeds 2016 Goal

THANK YOU TO OUR SPONSORS GOLD AND PLATINUM



After moving its annual bike ride fundraiser to Fitchburg in 2015, the Boys and Girls Club of Dane County again exceeded its goal of raising \$475,000 by \$9,833. This event is the biggest fundraiser for the Club and brings thousands of participants and events to our community. CEDA and the Fitchburg Chamber Visitor + Business Bureau collaborated to be a Platinum sponsor of the 2016 ride.



CEDA again provided funding for the Summer Concert Series that is held once a month during the summer months at McKee Farms Park.



Ida Wyman Served as the 2016 Keynote Speaker at the Memorial Day Observance



CEDA continues to provide the funding for the City's annual Memorial Day Observance. The keynote speaker for the 2016 service was Ida Wyman, Photographer. She chose "The flag and parades" as the theme for her keynote speech. Oregon/Brooklyn VFW Post 10272 provided the military service. MM2 Bart Schley presented Bob Schley wreath at the Gorman Wayside Park. Assisted with the 2016 Memorial Day Observance with Administration and Parks Department



2016 Accomplishments

- Secured \$1 Million Transportation Economic Assistance Grant through the Wisconsin Department of Transportation for Commerce Park Drive & Sub-Zero Parkway
- In partnership with Fitchburg Chamber Visitor + Business Bureau (FCCVBB), determine impacts of hotel room tax legislation change. Discuss and develop a business model that reallocates funding with FCCVBB while continuing the current book of work. Look at opportunities to expand tourism marketing, community events, organizations and sponsorship in the City of Fitchburg
- Major employers BRE visits to input data into the MadREP BRE Synchronist System
- Communicated with developers on projects for the North Fish Hatchery Road corridor
- Approval of TID 10 for new hotel project on North Fish Hatchery Road.
- Facilitated meetings with Sub-Zero/Wolf on expansion and road construction project
- Housing redevelopment strategies – worked with Admin/Finance to establish a redevelopment fund prior to closing TID 7
- Forward Fitchburg/ City in Motion action items: bus shelter design and installation, street sign toppers installed, redesign and installation of Welcome to Fitchburg sign, worked with Fire Department on helmet design, worked with Parks Department on sign design and installation of Civic Campus on building lettering
- Sports Infrastructure Visioning with Parks Department – Evaluate cycling opportunities
- Continued working with the Verona Road Business Coalition on issues such as business advocacy and signage. Sponsored and attended best practices seminars. Zimmerman is on the VRBC Executive Committee and Frey is on the VRBC Marketing Committee. Support the Verona Road “In This Together” Program activities
- Partnered with Benjamin Investments on new office building on the corner of McKee Road and Verona Road through tax increment district # 6.
- Assisted Benjamin Plumbing with site for new headquarters in the Commerce Park
- Identified developer for new 100 Room Staybridge Suites hotel in Orchard Pointe
- Collaborated with Planning Department on Anton Drive Redevelopment Study, including securing a BUILD Grant from Dane County to assist in funding the project, Zimmerman attending Staff & Steering Committee meetings for study
- Attended the MadREP and Urban League Diversity Summit
- Exhibited at the SMBA Business Expo, Fitchburg Chamber Spring Fling, Wisconsin Entrepreneur’s Conference and the Wisconsin Early Stage Symposium
- Provided sponsorship dollars to the Xconomists Wisconsin Reception & Wisconsin Technology Council Brew, Bites, Bytes Event as part of industry cluster branding
- Sponsored BTCI Stem Cell Symposium & BioEthics Conferences
- Advertising: Ads were placed in the Fitchburg Chamber Guide, Fitchburg Map and the MadREP publication
- Community events sponsorships: Capital City Jazz Fest, Summer Concert Series, Bike for Boys and Girls Club event
- Presentations to Moody’s Investors, Fitchburg Chamber Visitor Business Bureau, SMBA, MadREP Site Selectors
- Participated in the Madison Region Economic Partnership Familiarization Tour
- Attended the Madison Region Economic Partnership Economic Development Professionals Quarterly Meetings
- Coordinated with private developers on Dunn property for west side business development and east side single family lots in North Stoner Prairie
- Worked with private developer on Fahey Fields
- Collaborated with WISDOT & DNR on land solutions to facilitate General Beverage future expansion plans
- Organized meetings with new hotel management team and the Greater Madison Convention and Visitor Bureau
- Monitoring and providing assistance to several confidential business inquires