

HAA Staff Recommendation Report
Report to the CDBG Loan Review Team Subcommittee

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The Housing Access and Affordability Staff is forwarding the following recommendation to the CDBG Loan Review Team:

History

Seven Acre Dairy Company is a hospitality concept, agri-tourism destination, and dairy manufacturing plant in rural Dane County, in the downtown core of the unincorporated village of Paoli, Wisconsin in the town of Montrose.

The business is on 8 acres of land in a revitalized 21,000 square foot historic dairy factory. This dairy factory was near blight in 2021, when the current ownership group purchased it. The building is now rehabilitated and on the State and National Register of Historic Places as an exceptional example of a factory from the Golden Age of Wisconsin dairy. Seven Acre Dairy Company is now breathing new life into this part of rural Dane County.

The Seven Acre Event, Sustainable Agriculture, and Bicycle Transportation Improvement Project represents Phase 2 expansion of the critical development and revitalization of Paoli downtown. The goal of this Project is to enhance and grow the guest experience of this irreplaceable piece of Wisconsin dairy heritage by:

1. Creating more outdoor event and recreation space and providing the accompanying infrastructure to support those guests. This expansion will:
 - a. Build an indoor/outdoor greenhouse seating area to accommodate 50 guests for private dining and corporate events.
 - b. Develop a 100-person outdoor seating area to accommodate weddings and larger social and professional gatherings. This would include a concessionaire and the necessary catering and seating for infrastructure.
 - c. Transition about 30 parking spots from crushed gravel to asphalt.
2. Building a ½ of an acre Indigenous horticulture plot on the land with Dan Cornelius, Dane County resident and member of the Oneida Nation. This plot will be used for guest education, internal use by food service outlets and catering on property, and retail sales.
3. Purchasing and installing 9 B-Cycle electric bikes at Seven Acre. These electric bikes will be connected to the larger Dane County b-cycle network, and will offer both an important alternative transportation method to Seven Acre from adjacent Dane County communities as well as an exciting new guest amenity for visitors to our site. They forecast 500 guests in 2024 to choose B-Cycle as mode of transportation to the property. This investment in alternative and sustainable transportation infrastructure will allow Paoli and its businesses to be a leading destination for non-motorized transportation tourism in Dane County.

The investments are anticipated to contribute to the expansion of the company's business between 2023-2024 by 20% and to create at least 8 FTEs between the beginning of the project and the closing of the 24-month window in 2025.

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The existing facility is on 8.02 acres, with a 21,000 square foot building. The Company currently owns the building and there is 1 tenant.

This project does not involve the purchase or any new land or existing buildings.

It will not require any change of zoning.

It will not involve the demolition or conversion of any existing structures.

Financial/Budget/Other Resource Implications (if any)

The following funds would support this project, personal guarantees (from Mink and spouse) and a position on the real estate. The County would be in third preference to Nuveen and Bank of Sun Prairie, but there is sufficient equity.

Recommendations

Staff recommends approval of \$240,000 under the Dane County Commercial Revitalization Loan Fund. This recommendation is contingent on final approval by the Dane County CDGB Commission and County Board.

Attachments/Links

Final Recommendation from MDC
Profit and Loss Report – Jan-April 2023
Aging Summary Report
Balance Sheet – April 2023