



**Economic
Development and
Growing the
Economy**



Profiles of Best Practices

Economic Development Corporation and Creative Financing

Community, County

City of Rhinelander, Oneida County

Area of Project Impact

City of Rhinelander, Oneida, Vilas and Forest counties

Population Affected

67,833

Situation

The City of Rhinelander was in jeopardy of losing the Northern Advantage project in the central business district because of the prohibitive cost of leases. The Northern Advantage project provided viable employment for 60-plus workers, but the City of Rhinelander's central business district locational costs were greater than Northern Advantage's ability to pay for the costs of staying in the area.

Economic Development Strategies

The City of Rhinelander sought to keep Northern Advantage in its central business district and the Oneida County Economic Development Corporation recognized the value in supporting the existing business. Consequently, the City and Oneida County's Economic Development Corporation (OCEDC) sought to secure outside resources to help Northern Advantage creatively finance its lease costs.

Implementation

The City of Rhinelander and the Oneida County Economic, 501(c)3, Development Corporation (OCEDC) collaborated to build community economic development capacity for a particular purpose—to keep Northern Advantage in Rhinelander's central business district. Since Northern Advantage was unable to secure a loan for the costs of the lease, which was a state fixed rate that did not meet actual lease costs in this instance, the city and OCEDC worked with Northern Advantage to identify what loan rates and affordability terms were suitable. Based on rates and term of availability of money, a loan was secured by the city of Rhinelander from the Wisconsin Trust Fund. The city then provided this loan to OCEDC. Following this loan transfer, OCEDC lent the money to a private developer for the Northern Advantage project. The loan was secured via mortgage with further assignment of state leases for security.

In this situation, creative financing was needed to provide an innovative solution that would keep 60-plus jobs in the city by reducing prohibitive locational costs. Creative financing created incentives in a developed area in order to counter typical urban development disincentives, which provided the central business district with a competitive advantage over the prospect of greenfield development in urban area peripheries.

Partners and Leadership

Involvement of organizations and partners with the Northern Advantage project included: the City of Rhinelander, Oneida County Economic Development Corporation, State of Wisconsin, Nicolet Area Technical College, Wisconsin Job Service, Department of Vocational Rehab, Forward Services and Central Business District property owners.

Outcomes

The creative financing was structured to obtain the following outcomes:

- Retention of 60-plus employees in the central business district.
- Additional clients brought into the central business district, providing opportunities to buy goods there.

It is projected that a \$100,000 bonus (employee contribution) was achieved with Northern Advantage being initiated into the central business district. An additional estimate of clientele contribution, with a multiplier of 4, would add another \$180,000. This economic benefit can be figured as paying off the project in 15 months.

Contact

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