

Rural Development brought Oaklawn to life

Organizations benefit from unique concept



From left: Renee Surdick, Tom Miller III and Mike Schmitz, three of the visionaries who dramatically attributed to the creation of Oaklawn Harmony Centre, stand in front of the new \$2.8 million facility, now in its third year.



Committed to the future of rural communities.

Story and photos by Kevin Tuttle, USDA Rural Development

The following success story was made possible in large part by the U.S. Department of Agriculture Rural Development's loan guarantee, direct loan and grant funds programs. The programs contributed nearly \$1.9 million to the establishment.

The vision was there nearly 10 years ago for a small group of people who saw the need for struggling non-profit organizations to have better, more affordable accommodations. After years of dedication, research, innovation and creativity – all by volunteers – the hard work has paid off. With the help of the U.S. Department of Agriculture (USDA) Rural Development, Oaklawn Harmony Centre, which houses non-profit organizations

and incubator businesses, is thriving with patrons who might not make it without the facility.

It began with Dr. Renee Surdick, Oaklawn Harmony Centre Board president; as she saw firsthand the dire need of local non-profit organizations, such as the Cesa 11-Head Start Association, to have safe, affordable facilities in which to conduct business. Many organizations simply could not afford to remain in their respective locale, paying the \$10-\$15 per square foot in rental charges, and still operate.

“Many of us sat on boards and we dealt with the same challenges continually – not enough funds for salaries, locations that were too small;

inadequate. We dealt with safety risks, poor security and a majority weren't accessible for persons with disabilities. Once we met and shared our concerns and hopes for the organizations the vision really was shaped,” she said.

“The concept of having numerous non-profits in one building, paying reduced rental fees, substantially assists their bottom line and allows the community... to benefit from their services.”

— USDA Rural Development WI State Director Frank Frassetto

Now that the vision was clear,

funding became a major issue as it would take a substantial amount of money to either remodel a location or construct a completely new one.

“We weren’t going to build new, but the state encouraged us to do that to accommodate the groups. It was way too much expense and labor to remodel a lot of the locations they had looked at, plus it wouldn’t have been a perfect fit,” Surdick said.

During one of the many trips to local banks to talk to prospective lenders, Mike Schmidt, Oaklawn Treasurer, met with S&C Bank who suggested they look at Rural Development as a partner/lender. Soon thereafter, Rural Development provided financing in the form of a loan guarantee for \$895,000; direct loan for \$895,000; and grant funds for \$105,000 to construct the 30,000 square foot facility.

The financing was partnered with other State funds and funds from private foundations.

“Rural Development was fairly flexible in dealing with us and very helpful,” Schmidt said.

While searching for funding, the board also searched for tenants, looking for those organizations who were suffering with the state of their current locations or with the expense to stay in their current locations.

Head Start, a private not-for-profit organization, is the most successful, longest-running, national school readiness program in the United States. It provides comprehensive education, health, nutrition, and parent involvement services to low-income children and their families. In Menomonie, Wis., there are currently 27 employees and an enrollment of 154 kids. Head Start was the anchor for establishing the new facility, Surdick said. Their former building, an old elementary



Left: One of Head Start’s classrooms. Their previous location was an unsafe, former elementary school, but now the non-profit organization enjoys the new, safe modern facility.

school, was not up to par, to put it mildly.

“It had a well problem, roof problem, critters everywhere – just to name a few. They had about 150 kids, so it was important for them to find a safe place,” Surdick said. “The space is much nicer here than what they had. It’s been built to fit their needs.”

With Head Start in their corner and on their minds, Surdick soon had a team of volunteers, and fellow visionaries, who weren’t going to stop their quest until their plan came to fruition.

Tom Miller III, volunteer project manager and former vice president of the Oaklawn Harmony Centre Board, first met Surdick when he was the chairman of a non-profit business board of directors and Surdick was the director.

Miller and Surdick discussed

the concept of Oaklawn many years ago, he said. “Renee saw other groups in the community without satisfactory work space. She thought we could co-locate folks in a building that was custom designed for the tenants and share common areas to keep costs down,” he said. That is exactly how Oaklawn operates now.

“We found grants, donations and Rural Development as sources of funds to use to keep rent prices favorable to the incoming tenants: non-profit businesses, who could use the savings on programming – benefitting the community,” Miller, who now helps businesses with general business consulting, said.

But it was a long road to get to this finalized product. Many obstacles kept getting in the way, such as location, the



The playground at Head Start is utilized by more than 150 children.



Caitlin Michels, left, and Amy Forbes, center, help a customer at Legacy Chocolates in downtown

Menomonie Oct. 1. The company's products are produced at Oaklawn Harmony Centre.

many partners, and even Hurricane Katrina.

"Hurricane Katrina affected the price of steel during the planning process in 2005," Miller said. After budgeting the construction costs of the new building, steel prices dramatically rose because of supply issues after Katrina and they had to gather up more funds again, he said.

Now in year three, Oaklawn has every space in their building filled either with non-profit groups or in the form of incubator space to two businesses.

"These startup businesses are able to get technical assistance from UW-Stout and rent space at a competitive rate to help ensure their long term success. The rental rate is higher than the non-profit organizations, but still slightly below market in order to provide every opportunity for success," said Brian Deaner, USDA Rural Development Menomonie Area Director. "Rural Development worked closely with this organization, along with S&C Bank, to ensure the financing structure would provide long-term fixed-

rate financing, so uncertainty in market interest rate adjustments would be minimized."

Since moving to Oaklawn, Rural Health Dental Clinic, which provides dental preventative and restorative services, such as cleanings, sealants, fillings, extractions, partials, and dentures for individuals with disabilities, elderly and low-income families; has seen a substantial increase in customers. Before relocation, they had approximately 3,000 patients annually. Now that figure has ballooned to 4,500 patients visiting the new state-of-the-art clinic. And its location makes it possible for children who are at Head Start to go down the hall to their appointment, saving their parents time off from work.

Hand in Hand is now providing 4-year-old Kindergarten through the Menomonie School District because of the facility; while the Hmong American Community Association has more space for less rent to facilitate its programs, such as family strengthening, counseling, interventions

and preventions.

“With the current state of our economy, it is critical for us to pool public and private resources to ensure local businesses and non-profit organizations can continue to thrive,” said USDA Rural Development Wisconsin State Director Frank Frassetto. “Rural Development takes a lot of pride in seeing the success of Oaklawn Harmony Centre and all its tenants. The concept of having numerous non-profits in one building, paying reduced rental fees, substantially assists their bottom line and allows the community of Menomonie to benefit from their services,”

Currently the facility houses Reach Inc., Family Resource Center of Dunn County, Hand in Hand: A Place for All Children; Head Start, Hmong American Community Association, Rural Health Dental Clinic, United Way of Dunn County, Legacy Chocolates, and Runva Mechanical & Electrical. The latter two utilize the incubator space.

For more information on USDA Rural Development in the Menomonie area, please call 715-232-2614 or visit our Web site at www.rurdev.usda.gov/wi.



Above: Runva’s incubator space. Runva Mechanical & Electrical is engaged in light manufacturing, focusing primarily on winches and welding components.

The USDA is an equal opportunity provider and employer.

Below: The kitchen is shared by Head Start and Hand in Hand child care facility. Hand in Hand provides licensed childcare for children 6 weeks to 12 years old, serving those with all abilities.

