

# Colligan's Bakery

February 18, 2008

Locally owned and operated since 1986, Colligan's Bakery has survived the Atkins Diet fad, national chain buy outs of local grocery stores that froze out local vendors and a devastating broadside when Krispy Kreme expanded into the area. But it looked like the end when a developer decided to demolish Colligan's production and retail facility in 2006.

Colligan's and their signature Kringles have been a Portage County fixture since 1991 and a central Wisconsin bakery since 1986. According to owners Terry and Kitty Colligan, initially no one seemed willing to help. A local developer who had worked on several projects with CAP Services recommended they contact CAP's Business Development Department and its lending arm, Community Assets for People.

CAP's response to their needs was comprehensive. Staff helped develop a plan for Colligan's to expand from primarily a retail and "convenience store" bakery into a commercial bakery with national account. To accomplish this Colligan's leased one of CAP's business incubators as a production facility and space from the developer for a retail outlet. The financing package included loans from CAP's lending arm Community Assets for People for leasehold improvements, the City of Stevens Point's revolving loan fund for moving existing equipment and buying new equipment; and from the First National Bank of Iola for working capital. CAP is also leasing the 7,344 square foot building to Colligan's at \$2.50/sq. ft. The equipment and moving expenses are proposed to be financed with the city, \$100,000 at seven years at 5%.

Today, Colligan's supplies product for two national accounts (producing 20,000 Kringles a week for a major grocery chain, and cinnamon rolls and "cheesy" bread for a fundraising company); has recovered virtually all of its business with convenience stores and other retailers; and, much to the enjoyment of Stevens Point customers, has opened a new retail store and coffee shop on the south square. The company has added a second production shift as a result of a 20% growth in annual sales, employs 40 people with living wage jobs and expects to hire five more workers in 2008.

Without CAP's assistance, Colligan's would have closed when their lease expired, eliminating 30 jobs in the community. In exchange for CAP's financial and technical support, Colligan's Bakery will create a minimum of 5 new living-wage jobs with advancement opportunities, with two of them being filled low-income individuals. CAP may provide assistance with new hires needing interpretive assistance during the training process.

## Sources and Uses

	CAfP Loan	Colligan's Cash	First National Bank of Iola	City of Stevens Point RLF 7 yr @ 5%	TOTAL
Electrical	\$41,600	\$2,400			\$44,000
HVAC	\$28,500				\$28,500
Plumbing	\$11,900				\$11,900

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Architect		\$2,600			\$2,600
Contractor	\$27,400				\$27,400
Equipment and Moving Expenses				\$100,000	\$100,000
TOTAL	\$109,400	\$5,000	\$20,000	\$100,000	\$234,400