



Department of Planning & Community & Economic Development

Planning Division

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Edited to clarify that all Façade Grants over \$10,000 will be reviewed by the UDC.

~~July 21, 2022~~ August 30, 2022

To: Mayor Satya Rhodes-Conway and Madison Common Council
From: Report of the Façade Grant Team:
Tom Otto, Office of Business Resources Specialist – Economic Development Division – Team Lead
Rebecca Cnare, Urban Design Planner – Planning Division
Heather Bailey, Preservation Planner – Planning Division
Jessica Vaughn, Urban Design Commission Secretary – Planning Division

Attachments: Draft of New Eligibility Map, Current Façade Grant Objectives, Current Program Summary, Photo Examples of previous Façade Grants

Façade Grant Staff Team Process Analysis and Recommended Changes

In light of the 100th City of Madison Façade Grant, The Façade Grant Staff Team reviewed the grant program, process, and outcomes. The City has awarded over \$1,285,200 in grants over approximately 20 years, which has leveraged over \$3,290,600 in private investments.

However, the process requirements, unchanged grant amount, and lengthy review process for the limited funds have limited the potential impact of the program. In recent years, several special area plans have recommended that the grant program add eligibility for several small commercial corridors, such as Cottage Grove Road and others. The Façade Grant Staff Team analyzed the existing program and identified issues as related to Equity, Process and Program Objectives, as noted below:

Equity:

- Application fee
- Complicated contract
- Submittal requirements: i.e. architectural drawings
- Financial match requirement
- Limited eligibility areas

Process:

- Perceived difficulty of process and length of time for grant approvals
- Complicated contract
- Enlargement of eligibility area and opportunities for different sizes of grants
- Using Government Accounting Standards Board accounting principles

Program Objectives:

- Supporting Downtown core, traditional shopping streets, business districts, established and emerging activity centers
- Supporting entrepreneurship of historically underrepresented business and property owners
- Environmental benefits of enhanced streetscape appearance, walkability, and improved building energy efficiency
- Increasing tax base, and supporting local job growth

Staff Recommendations:

1. Remove \$100 application fee:

It is a nominal amount, but is a barrier to businesses interested in the program.

2. Remove complicated contract and implement a Purchase Order method for grant disbursement:

Purchasing guidelines allow disbursements of up to \$50,000 through a purchase order as long as funds are annually budgeted for use in the Façade Grant program. The contract process is complicated for smaller sums of money.

3. Increase the Façade Grant program eligibility city-wide:

The program should increase eligibility city-wide, but maintain focus and emphasis on local commercial activity centers as shown on an updated map (draft map attached for reference). Applicants not in the targeted areas on the map could still be eligible if they meet criteria of an emerging commercial node, or are in activity areas noted in City Neighborhood or Special Area Plans. Increasing eligibility would potentially require a budget request for additional funding in future budgets. Staff also recommends adding the following guidelines to determine what commercial properties are eligible:

- a. Keeping the Eligibility Map frequently updated to reflect planning efforts.
- b. Targeting customer-facing businesses such as retail, restaurant and some services.
- c. Adding a local requirement that an applicant's business and/or property must be occupied by locally owned and/or controlled businesses and/or located within buildings owned by local residents, using the City's Small Businesses Equity and Recovery Program (SBER) grants as a guide for eligibility.

4. Remove match requirement for grants under \$10,000, increase grant amount, and implement a tiered grant system:

The \$10,000 maximum grant amount has not been increased since the program's inception. A tiered grant system may allow staff to grant more money for projects that are truly outstanding, and reduce process and match requirements for smaller grants that support small businesses and/or support historically underrepresented entrepreneurs. Staff recommends the following system:

- a. 'Mini' Façade Improvement Grant – up to \$10,000 total grant:
 - i. Provide funds for smaller improvements of existing businesses and support new local entrepreneurs
 - ii. Examples: 961 S Park Street (Formerly Barriques), 336 W Lakeside Street (vacant at time of grant), 1825 E Johnson St (Dog Haus University), 2121 N Sherman (Two Good Dogs) 1968 Atwood Ave (Ideal Bar), 824 E Johnson street (East Johnson Street Family Restaurant)
 - iii. Projects could include lighting, awnings, visual impact projects, some signage, and some maintenance (paint, tuck pointing, etc.)
 - iv. Requirements:
 - No architectural drawings required,
 - No applicant funding match required
 - Staff review and approval with no further process
- b. Façade Improvement Grant – Between \$10,000 - \$20,000 per street facing façade:
 - i. Provide funds for major exterior renovations, full façade replacement, and/or historic restoration
 - ii. Examples: 317 State St (Irish Pub), 1875 Monroe St (Neuhauser Pharmacy), 12 S Carroll St (Fromagination), 3402 Monroe St (Arbor House-Plough Inn Restoration), 916 Williamson St (Madison Sourdough Company), 852 Williamson Street (Willy Pub)
 - iii. Requirements:
 - Architectural drawings or other application materials to clearly describe the changes being proposed
 - Full match from applicant for any amount over a \$10,000 grant award.
 - Requires both Façade Grant Staff Team and Urban Design Commission Approval

- a. Additional façades:
 - i. If more than one façade is street facing, then project would be eligible for an additional \$20,000 grant for one additional street facing façade, for a grant total of \$40,000
 - ii. Up to \$50,000 for a Flatiron Building with three street facing sides.

5. Simplify the Façade Grant Approvals Process

- a. Remove Façade Grant program from The Community Development Authority and place program in the Office of Business Resources within the Economic Development Division,
 - i. The Façade Grant Staff team should continue to be made up of the Urban Design Commission Secretary, The City Preservation Planner, a City of Madison Planner with a design background, and a member of the Office of Business Resources,
- b. Allow Façade Grant Staff Team approval of all grants \$10,000 or less unless other ordinances override, for example:
 - i. Urban Design Commission, or staff designee approval would still be required for projects within Urban Design Districts or zoning district requiring Commission approval,
 - ii. Landmarks Commission, or staff designee approval, would still be required for properties that are designated landmarks, within historic district, or that have historic significance,
 - iii. Urban Design Commission Approval would still be required for grants ~~of \$20,000 over \$10,000, and above~~, or as an appeal body to staff's requirements.
- c. Remove Common Council/Finance Committee approvals for individual grants less than the amount otherwise required for Common Council approval, and funding is authorized during the budget process.
 - i. Façade Grant Staff Team will notify Alders of Façade Grant applications in their districts.