

# CITY OF MADISON RETAIL IMPROVEMENT GRANT PROGRAM



## *Strengthening Downtown Independent Retail*

Economic Development Division  
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## PROGRAM SUMMARY

As the City of Madison, residents, business owners and development community continue to invest in creating a vibrant downtown we recognize the need to invest in the independent retailers in the downtown area to make sure we continue to maintain the independent flavor that makes Madison special.

Unique and successful independent retail businesses (see definitions) can have a significant effect on the attractiveness and marketability of the surrounding area. This program encourage business owners to reinvest in ~~the~~ downtown business areas by offering matching grants to assist with the capital costs associated with renovating the interior and exterior of retail spaces.

### Applicant Eligibility Requirements

Property owners of commercial/mixed-use structures and building tenants operating independent retail businesses, with leases of more than five years in length, located within the target area, are eligible for funding. Governmental entities and public and quasi-public authorities are ineligible for funding.

### Property Eligibility Requirements

Properties that are used in whole or part for commercial activities, with a strong focus on retail product sales, are eligible for funding. The program is intended to assist projects that promote independent retail activities, create an attractive environment and encourage neighborhood character. Projects meeting these objectives are eligible for a grant for up to one half the cost of leasehold improvements up to \$50,000.

~~In order to qualify, applicants cannot start on their project until after receiving the necessary approvals. If work begins before application or approval, the City cannot fund the project with Retail Improvement Grant Funds.~~ Funding will be considered after expenses are incurred. Please work with City Staff to understand this process.

### Target Area

Properties located within the boundary map titled Map 1

### Grant Amount

Grants will be provided in an amount up to 50% of the total project cost, to a maximum of \$50,000 for eligible interior and exterior improvements. The owner/tenant must use private, non-City funds to match the City's Grant.

### Eligible Costs

To the greatest extent possible, the City would like to invest in interior and exterior improvements that would benefit not only the current, but future retailers within the space. Such eligible interior improvements would include, but are not limited to, the following:

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- HVAC, electrical, or plumbing improvements
- ADA compliance improvements
- The construction of customer restrooms
- Rehabilitation of the space to basic “white-box conditions”, such as repairing or replacing cracked plaster walls, structural improvements or ceilings
- New flooring
- New lighting
- New windows and doors
- Restoration of deteriorated historic/architectural elements
- Loading dock, storage, store room repairs and construction
- Other elements that could be useful to a new retailer should the retailer seeking funds cease business operations.

Other build-out costs associated with customizing the space to the specific needs of the retailer could be applied to the applicant’s 1:1 match requirement, as long as the items are not likely removed from the space at the time of vacancy, such as built-in shelving or counter space.

Personal property (furniture, racks and shelves that can be easily removed and sold etc.) is not eligible for funding and will not be counted toward the required match.

- Eligible exterior improvements would mirror those improvements considered eligible under the current Façade Improvement Grant Program.
- Design, architectural and permit fees associated with the construction are also eligible project costs.

### **Ineligible Costs**

Please recognize this funding is intended to preserve commercial retail establishments in TID 32. Ineligible costs will include costs that are for fixtures and improvements that would not reasonably be of use to another retailer. Some of these less permanent additions may be used for the 1:1 required match.

- Security systems that are personal to the business and not transferrable to a new user
- Personal property, furniture, racks and shelves or counter space

### **Grant Requirements**

All projects must follow normal city processes.

The owner/tenant shall comply with all sign control ordinances contained in chapter 31 of the Madison General Ordinances and keep the exterior surfaces maintained to prevent deterioration and to present an attractive appearance. The owner/tenant shall comply with all applicable provisions of the Madison General Ordinances concerning equal employment opportunity and affirmative action programs and practices in connection with the construction work being completed using grant funds. The owner/tenant shall assist and actively cooperate with the City in obtaining the compliance of contractors with such provisions of the Ordinances, and with the rules, regulations and relevant orders issued by the City pursuant to such provisions of the Ordinances.

**In order to qualify, applicants cannot start (see definitions) on their project until after receiving the necessary approvals. If work begins before application or approval, the City cannot fund the project with**

**Retail Improvement Grant Funds. With proper permission from the City exceptions for design work and exploratory work can be made.**

*It is our intention to make the application simple for retailers and flexible to the tight time between signing a lease and beginning work on leasehold improvements. As a result, applicants can complete the process for reimbursement two ways:*

*Option 1: Applicants can complete the process for reimbursement before they begin construction to guarantee funding before they incur costs.*

*Option 2: Applicants can make the improvements and then go through the process for reimbursement recognizing that their requests may be denied and there is no guarantee of funding until the process is complete.*

*Both Option 1 and Option 2 require you complete the application BEFORE work begins.*

### Processing Steps

- Step 1** Applications must be submitted to the Economic Development Division, 215 Martin Luther King Jr., Boulevard, Room 312, P.O Box 2983, Madison 53701-2983 An application from a tenant must include a copy of the lease and written approval from the owner. Applications must include a detailed description of the improvements suggested/completed.
- Step 2** A City staff team will visit the site to discuss the proposed/completed improvements. If the proposal meets the requirements of the Retail Building Improvement Grant, a Conditional Letter of Approval will be sent to the owner/tenant. This letter may require modifications or changes to the original proposal.
- Step 3** The applicant will then submit approved drawings and cost estimates/paid receipts to the Economic Development Division for review.
- Step 4** The Economic Development Division will prepare the appropriate resolutions for Board of Estimates and Common Council action.
- Step 5** Following approval by the Board of Estimates and Common Council, the Economic Development Division will prepare and furnish the applicant with the grant agreement.
- Step 6** The applicant must sign the grant agreement and return to the City.
- Step 7** The applicant must obtain permits for the required work. The applicant must display the sign provided by the City on the site indicating "Financing provided in part by the City of Madison Retail Improvement Grant Program."

### Please keep in mind:

- The applicant pays for the completed construction work and submits paid receipts and lien waivers from the contractors to the Economic Development Division.
- Step 9—Following a final inspection, the Economic Development Division authorizes a check for the approved amount.

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- In cases where we will be reviewing and approving the invoices and improvements AFTER work is completed there is absolutely no guarantee that these improvements will qualify for funding. Please make sure you have communicated with City staff of your plans before you begin your improvements if you are depending on funding to help offset costs. Any guarantee of funds will have to go through the City process as described above.

## Definitions

**Independent Retailers:** for profit businesses owned by individuals, must be more than 50% owned by individuals residing in Dane County.

Businesses not owned by individuals, must be:

- headquartered in Dane County
- have more than 50% of key managers living in Dane County
- Business is registered in Wisconsin
- Business independently controls purchasing decisions, business makes independent decisions regarding the name and look of the business, including marketing, advertising, logo design and branding decisions. Business makes independent decisions regarding business procedures, practices and policies.

~~**Start Date:** With exception of light and exploratory demolition applicants cannot start on their project until after receiving the necessary approvals. If work begins before application or approval, the City cannot fund the project with Retail Improvement Grant Funds.~~