

CITY OF MADISON
STATE STREET 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 criteria on page five) can have a significant effect on the attractiveness and marketability of the surrounding area. This program encourages business owners to reinvest in 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

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

All independent retail businesses (or eligible property owners) that fit the eligibility requirements are eligible, however, priority will be give to projects located on State Street.

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, when applied for by eligible applicants, are eligible for a grant for up to one half the cost of leasehold improvements up to \$50,000.

Timing of Application

Step one is to call staff to discuss your project (608) 267-4933. This program uses a rolling application process. Funding may be applied for prior to, during, or after renovations. However the City cannot guarantee that your improvements will qualify for funding. Please work with City Staff to understand this process.

Target Area

Only properties located within the boundary map titled **Map 1** are eligible, with priority given to projects on State Street.

Grant Amount and Required Matching Funds

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 applicant must provide an equal, 1:1 match of funds. The matching funds may be from any of the following:

- The applicant
- Another private, non-City source.
- In-kind improvements paid for by the applicant. In-kind contributions must meet the criteria for the eligible costs, below. In addition, other build-out costs associated with customizing the space to the specific needs of the retailer may be counted as an in-kind contribution toward the 1:1 match requirement, as long as the items are not likely removed from the space at the time of vacancy. Examples include built-in shelving, racks or counter space; if permanently installed and intended to remain with the property. Please speak with staff to review these items and determine if they can be used as a match.

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 and exterior improvements would include, but are not limited to, the following:

- 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/repaired/replacement windows, doors and other façade improvements, including maintenance, directly related to the retail space.
- Restoration of deteriorated historic/architectural elements
- Loading dock, storage, store room repairs and construction
- 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.

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

Grant Requirements

All projects must follow all applicable City of Madison processes.

The owner/tenant shall comply with all sign control ordinances contained in chapter 31 of the Madison General Ordinances. 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. If required, 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.

Processing Steps

- Step 1** Call or e-mail City Staff to discuss your project: 608-267-4933
- Step 2** 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.
- Step3** A City staff team will visit, as necessary, 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 4** The applicant will then submit approved drawings and cost estimates/paid receipts to the Economic Development Division for review.
- Step5** The Economic Development Division will prepare the appropriate resolutions for Board of Estimates and Common Council action.
- Step 6** Following approval by the Board of Estimates and Common Council, the Economic Development Division will prepare and furnish the applicant with the grant agreement.
- Step7** The applicant must sign the grant agreement and return to the City.
- Step8** The applicant must display a 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, if applicable, lien waivers from the contractors to the Economic Development Division.
- Following a final inspection, the Economic Development Division authorizes a check for the approved amount.
- **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 Retail Business: An Independent Retail Business is a for-profit business with the majority of the business' ownership being private, by employees, the community, or an area cooperative.

Preference will be given to businesses registered in Wisconsin.

Franchises or national chains do not qualify as an independent retail business unless the individual franchise owner maintains independent control over business decisions regarding the name and look of the business, including marketing, advertising, logo design and branding decisions. Local retail location makes independent decisions regarding business procedures, practices and policies.