



Legislation Details (With Text)

**File #:** 45158      **Version:** 1      **Name:** StartingBlock Madison Grant Agreement  
**Type:** Resolution      **Status:** Passed  
**File created:** 11/15/2016      **In control:** BOARD OF ESTIMATES (ended 4/2017)  
**On agenda:** 12/6/2016      **Final action:** 12/6/2016  
**Enactment date:** 12/9/2016      **Enactment #:** RES-16-00896

**Title:** Authorizing the execution of a Grant Agreement with StartingBlock Madison Inc.; and, an Escrow Agreement with StartingBlock Madison Inc. and Gebhardt Development LLC to facilitate a \$1.5 million grant to the StartingBlock project.

**Sponsors:** Marsha A. Rummel, Ledell Zellers, Paul R. Soglin

**Indexes:**

**Code sections:**

**Attachments:** 1. 54158 CityMemo.pdf

Date	Ver.	Action By	Action	Result
12/6/2016	1	COMMON COUNCIL	Adopt	Pass
11/28/2016	1	BOARD OF ESTIMATES (ended 4/2017)	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
11/22/2016	1	COMMON COUNCIL	Refer	Pass
11/15/2016	1	Economic Development Division	Referred for Introduction	

**Fiscal Note**

The proposed resolution authorizes a Grant Agreement with StartingBlock Madison Inc.; and an Escrow Agreement with StartingBlock Madison Inc. and Gebhardt Development LLC to facilitate a \$1.5 million grant to the StartingBlock project.

The Grant (\$1.5M) will be funded by using the proceeds from the land sale (approximately \$1.56M) of the 800 South Block of East Washington Avenue to Gebhardt Development LLC. Following the grant to StartingBlock, the balance of the escrow account will be disbursed to the City. The TIF Project Plan contemplates that the City may seek reimbursement of this amount at a future date if tax increment is available in the District.

The Escrow Agreement is required to facilitate the payment of approximately \$1.56M from Gebhardt to the City, and the Grant of \$1.5M from the City to StartingBlock.

**Title**

Authorizing the execution of a Grant Agreement with StartingBlock Madison Inc.; and, an Escrow Agreement with StartingBlock Madison Inc. and Gebhardt Development LLC to facilitate a \$1.5 million grant to the StartingBlock project.

**Body**

WHEREAS the Common Council approved RES-16-00837 (Legistar #44762) on November 1, 2016, which contemplates a \$1.5 million grant ("Grant") to StartingBlock Madison Inc. ("StartingBlock"); and,

WHEREAS StartingBlock is an approximately 50,000 square foot entrepreneurial center; and,

WHEREAS StartingBlock will promote entrepreneurship by providing flexible space to a diverse community of emerging businesses in an environment that promotes collaboration; and,

WHEREAS StartingBlock will provide business support and assistance to its members; and,

WHEREAS one goal of StartingBlock is to help launch new businesses that will provide employment throughout the community; and,

WHEREAS another goal of StartingBlock is to help promote a culture of entrepreneurship in Madison; and,

WHEREAS the Grant will be funded by using the proceeds from the sale (approximately \$1,560,000) of the 800 South Block of East Washington Avenue to Gebhardt Development LLC ("Gebhardt"); and,

WHEREAS an Escrow Agreement is required to facilitate the payment of approximately \$1,560,000 from Gebhardt to the City, and the Grant of \$1.5 million from the City to StartingBlock; and,

WHEREAS the Grant will be used to pay for a portion of the construction of the StartingBlock space; and,

WHEREAS a Grant Agreement is required to identify the parameters upon which StartingBlock Madison will receive the Grant from the City.

NOW THEREFORE BE IT RESOLVED that the Common Council of the City of Madison hereby authorizes the execution of a Grant Agreement between the City and StartingBlock Madison Inc. for a \$1.5 million Grant substantially on the following terms and conditions:

1. Conditions of Payment. Disbursement of the Grant by the City to Recipient will be made on demand of the Recipient following the issuance of a building permit for construction of the Building, and is subject to the following conditions:

(a) Eligible Expenses:

i. The Grant must be used only for eligible project costs as described in Wis. Stat. § 66.1105(2)(f)(1) (the "TIF Law").

ii. Prior to any expenditures being made by the Recipient, the Recipient shall provide cost projections for review by the City for the sole purpose of determining whether expenses are Eligible Expenses.

iii. Prior to the issuance of a certificate of occupancy, the Recipient shall submit to City an audit of the uses of the funds in a form acceptable to the City. Any amounts used for ineligible costs under the TIF Law shall be immediately repaid to the City.

(b) If Recipient fails to receive a certificate of occupancy for the Recipient Space by December 31, 2018, any funds not expended shall immediately be repaid to the City.

2. Repayment. Except as provided in Section 2 and provided Recipient has not committed an Event of Default hereunder, the Grant is not subject to repayment.

3. Termination. This Agreement shall terminate, be of no further force and effect, and any funds not disbursed or not expended shall be immediately returned to the City upon the earliest of the following events:

(a) Completion of all obligations of the parties hereto.

(b) Termination of the Development Agreement for causes which prevent Recipient from completing the Project.

(c) The City reacquiring the Property from American Family Insurance Company under the terms of the Reacquisition Agreement.

4. Affirmative Action MGO 39.02 (9). Developer and its contractors/subcontractors shall comply with all applicable provisions of the Madison General Ordinance (MGO) 39.02 (9), concerning contract compliance requirements. Prior to commencing construction, Developer shall contact the City's Affirmative Action Division to assure that Developer is in compliance with the aforementioned requirements. Developer shall assist and actively cooperate with the Affirmative Action Division in obtaining the compliance of contractors and subcontractors with such applicable provisions of the Madison General Ordinance. Developer shall allow maximum feasible opportunity to small business enterprises to compete for any contracts entered into pursuant to the contract.
5. Living Wage (MGO 4.20). Developer shall comply with Madison General Ordinance 4.20 that requires Developer to provide a living wage.
6. Accessibility (MGO 39.05). Developer shall submit a written assurance of compliance with Madison General Ordinance 39.05.
7. Equal Opportunity. Developer shall comply with all applicable local, state and federal provisions concerning Equal Opportunity.
8. Equal Benefits. Developer shall comply with Madison General Ordinance 39.07 that requires Developer to provide equal benefits.
9. Ban the Box. Developer shall comply with Madison General Ordinance 39.08 related to job applicant arrest and conviction records.

BE IT FURTHER RESOLVED that the Common Council of the City of Madison hereby authorizes the execution of an Escrow Agreement between the City, StartingBlock Madison Inc., and Gebhardt Development LLC to facilitate the Grant.

BE IT FINALLY RESOLVED that the Mayor and City Clerk are authorized to execute, deliver, and record such documents and to take such actions as shall be necessary or desirable to accomplish the purposes of this resolution all in a form approved by the City Attorney.