

CITY OF MADISON RETAIL IMPROVEMENT GRANT PROGRAM



Strengthening Downtown Independent Retail

Economic Development Division
215 Martin Luther King Jr., Boulevard
Ruth Rohlich, 267-4933
rrohlich@cityofmadison.com
website address: www.cityofmadison.com/retailgrant

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 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.

All independent retail businesses that fit the eligibility requirements are eligible. however, priority will be give to projects that are 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 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 may be considered after expenses are incurred. Please work with City Staff to understand this process. It is important to note you will have to complete and application before repairs begin regardless of when you plan to be reimbursed. Step one is to call staff to discuss your project (608) 267-4933.

Target Area

Properties located within the boundary map titled Map 1 with a priority given to projects on State Street.

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:

- 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 ~~Call or e-mail City Staff to discuss your project: 608-267-4933~~

~~Step 12~~ 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 23~~ 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 34~~ The applicant will then submit approved drawings and cost estimates/paid receipts to the Economic Development Division for review.

~~Step 45~~ The Economic Development Division will prepare the appropriate resolutions for Board of Estimates and Common Council action.

~~Step 56~~ 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 67~~ The applicant must sign the grant agreement and return to the City.

~~Step 7~~Step 8 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.
- **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 at least 50% owned by ~~individuals, must be more than 50% owned by individuals- 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.~~

RETAIL IMPROVEMENT PROGRAM GRANT AGREEMENT

THIS AGREEMENT, dated as of _____ 2015, is made by and between City of Madison, Wisconsin, a municipal corporation (“City”), and _____ (“Grantee”).

WITNESSETH:

WHEREAS, the City desires to reimburse Grantee for a portion of the project costs described in Grantee’s application dated _____, 2015, and

WHEREAS, Grantee is able and willing to undertake and complete the project in accordance with this Agreement and the City’s Retail Improvement Grant Program;

NOW, THEREFORE, the parties mutually agree as follows:

1. **Purpose and Scope.** In consideration of a grant from the City in an amount of up to _____ Thousand Dollars (\$_____) (the “Grant”), Grantee agrees to use the property as described in Grantee’s grant application as an independent retail business and to perform and carry out in full such tenant improvements in accordance with this Agreement (the “Project”).
2. **Complete Agreement.** Grantee’s grant application and project budget and any attachments and amendments thereto are attached to and incorporated herein by reference and made a part of this Agreement.
3. **Matching Funds.** Grantee agrees to obtain matching funds for the Project equal to the amount of this Grant.
4. **Eligible Project Costs.** The City shall reimburse Grantee for a portion of those costs that are eligible under the City’s Retail Improvement Program, which have been approved in writing by City staff (the “Eligible Project Costs”), and which have actually been expended by Grantee.
5. **Time of Completion.** Grantee shall fulfill its obligations under this Agreement and complete the Project within one hundred twenty (120) days of the date the City executes this Agreement. This Agreement shall be cancelled and the Grant shall not be paid if Grantee fails to comply with any term or condition of this Agreement or fails to complete the Project within the required time period (or any extension thereof). The Project shall be deemed completed after the City inspects the Project and notifies Grantee in writing that the Project is complete and acceptable. The time for completion shall not be extended because of any delay attributable to Grantee, but it may be extended by the City for reasons of inclement weather or delay in the receipt of special building materials. If at any time Grantee believes that the time for completion of the Project should be extended because of unavoidable delay, Grantee shall notify the City in writing as soon

as possible. Such notice shall include justification for an extension and the number of days needed to complete the Project. The City shall provide a written acceptance or denial of Grantee's extension request.

6. **Payment.** Payment of the Grant will be made to Grantee upon completion of the Project, inspection and acceptance of the Project by the City, receipt and approval by the City of all lien waivers, paid receipts of vendors and suppliers, and proof of compliance with all applicable code requirements. The Grant shall be equal to one-half of the Eligible Project Costs expended on the Project by Grantee, up to \$_____.
7. **Indemnification.** Grantee shall be liable to and hereby agrees to indemnify, defend and hold harmless the City of Madison, and its officers, officials, agents, and employees against all loss or expense (including liability costs and attorneys' fees) by reason of any claim or suit, or of liability imposed by law upon the City or its agents or employees for damages because of bodily injury, including death at any time resulting therefrom, sustained by any person or persons or on account of damages to property, including loss of use thereof, arising from, in connection with, caused by or resulting from any acts or omissions of Grantee or any of its employees or agents in the performance of this Agreement, whether caused by or contributed to by the City or its agents or employees.
8. **Workforce Utilization.** This Section 8 is inapplicable if Grantee employs fewer than fifteen (15) employees.

Grantee agrees that, within thirty (30) days after the effective date of this Agreement, Grantee will provide to the City of Madison Affirmative Action Division certain workforce utilization statistics, using a form to be furnished by the City.

If this Agreement is still in effect, or if the City enters into a new agreement with Grantee, within one year after the date on which the form was required to be provided, Grantee will provide updated workforce information using a second form, also to be furnished by the City. The second form will be submitted to the City Affirmative Action Division no later than one year after the date on which the first form was required to be provided.

Grantee further agrees that, for at least twelve (12) months after the effective date of this Agreement, it will notify the City of Madison Affirmative Action Division of each of its job openings at facilities in Dane County for which applicants not already employees of Grantee are to be considered. The notice will include a job description, classification, qualifications and application procedures and deadlines. Grantee agrees to interview and consider candidates referred by the Affirmative Action Division if the candidate meets the minimum qualification standards established by Grantee, and if the referral is timely. A referral is timely if it is received by Grantee on or before the date stated in the notice.

9. **Affirmative Action.** This Section 9 is inapplicable if Grantee employs fewer than fifteen (15) employees or does less than Twenty-Five Thousand Dollars (\$25,000) aggregate annual business with the City within the calendar year.

ARTICLES OF AGREEMENT

ARTICLE I

Grantee shall take affirmative action in accordance with the provisions of this contract to insure that applicants are employed, and that employees are treated during employment without regard to race, religion, color, age, marital status, disability, sex or national origin and that the employer shall provide harassment-free work environment for the realization of the potential of each employee. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training including apprenticeship insofar as it is within the control of Grantee. Grantee agrees to post in conspicuous places available to employees and applicants notices to be provided by the City setting out the provisions of the nondiscrimination clauses in this contract.

ARTICLE II

Grantee shall in all solicitations or advertisements for employees placed by or on behalf of Grantee state that all qualified or qualifiable applicants will be employed without regard to race, religion, color, age, marital status, disability, sex or national origin.

ARTICLE III

Grantee shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice to be provided by the City advising the labor union or workers representative of Grantee's equal employment opportunity and affirmative action commitments. Such notices shall be posted in conspicuous places available to employees and applicants for employment.

ARTICLE IV

(This Article applies to non-public works contracts.)

Grantee agrees that it will comply with all provisions of the Affirmative Action Ordinance of the City of Madison including the contract compliance requirements. Grantee warrants and certifies that, of the following two paragraphs, paragraph A or B is true (check one):

A. It has prepared and has on file an affirmative action plan that meets the format requirements of Federal Revised Order No, 4, 41 CFR part 60-2, as established by 43 FR 51400 November 3, 1978, including appendices required by City of Madison ordinances or it has prepared and has on file a model affirmative action plan approved by the Madison Common Council _____.

B. Within thirty (30) days after the effective date of this contract, it will complete an affirmative action plan that meets the format requirements of Federal Revised Order No. 4, 41 CFR Part 60-2, as established by 43 FR 51400, November 3, 1978, including appendices required by City of Madison ordinance or within thirty (30) days after the effective date of this contract, it will complete a model affirmative action plan approved by the Madison Common Council _____.

ARTICLE V

(This Article applies only to public works contracts.)

Grantee agrees that it will comply with all provisions of the Affirmative Action Ordinance of the City of Madison, including the contract compliance requirements. Grantee agrees to submit the model affirmative action plan for public works Contractors in a form approved by the Director of Affirmative Action.

ARTICLE VI

Grantee will maintain records as required by Section 39.02(9)(f) of the Madison General Ordinances and will provide the City's Affirmative Action Division with access to such records and to persons who have relevant and necessary information, as provided in Section 39.02(9)(f). The City agrees to keep all such records confidential, except to the extent that public inspection is required by law.

ARTICLE VII

In the event of Grantee's or subcontractor's failure to comply with the Equal Employment Opportunity and Affirmative Action provisions of this contract or Sections 39.03 and 39.02 of the Madison General Ordinances, it is agreed that the City at its option may do any or all of the following:

- A. Cancel, terminate or suspend this contract in whole or in part.
- B. Declare Grantee ineligible for further City contracts until the Affirmative Action requirements are met.
- C. Recover on behalf of the City from the prime Architect 0.5 percent of the contract award price for each week that such party fails or refuses to comply, in the nature of liquidated damages, but not to exceed a total of five percent (5%) of the contract price, or five thousand dollars (\$5,000), whichever is less. Under public works contracts, if a subcontractor is in noncompliance, the City may recover liquidated damages from the prime Architect in the manner described above. The preceding sentence shall not be construed to prohibit a prime Architect from recovering the amount of such damage from the noncomplying subcontractor.

ARTICLE VIII

(This Article applies to public works contracts only.)

Grantee shall include the above provisions of this contract in every subcontract so that such provisions will be binding upon each subcontractor. Grantee shall take such action with respect to any subcontractor as necessary to enforce such provisions, including sanctions provided for noncompliance.

ARTICLE IX

Grantee shall allow the maximum feasible opportunity to small business enterprises to compete for any subcontracts entered into pursuant to this contract. (In federally funded contracts the terms "DBE, MBE, and WBE" shall be substituted for the term "small business" in this Article.)

10. **Non-Affiliation with the City.** Grantee agrees that at all times Grantee is not acting as an employee, or agent, or in any other manner for, or on behalf of, the City, and that any persons who the Grantee utilizes or who performs work under this Agreement are employees of Grantee and are not employees of the City.

11. **Assignment/Subcontracting.** All of the obligations required of Grantee under this Agreement shall be performed by Grantee and employees of Grantee. Grantee shall not assign or subcontract any interest in or obligation under this Agreement.
12. **Amendment.** This Agreement cannot be changed orally, but only by a written amendment, signed by the duly authorized agent or agents who executed this Agreement.
13. **Default.** In the event Grantee shall default in any of the covenants, terms, or conditions of this Agreement, the City shall provide Grantee with a ten (10) day written notice to cure. If Grantee fails to cure the default within the ten (10) day period, the City may immediately terminate this Agreement and all rights of Grantee under this Agreement, and may seek any other remedy available to it against Grantee.
14. **Notices.** All notices to be given under the terms of this Agreement shall be in writing and shall be sent by U.S. mail, postage prepaid, or hand-delivered to the addresses of the parties listed below:

FOR THE CITY:

Department of Planning & Community & Economic
Development
Economic Development Division
215 Martin Luther King Jr. Blvd, 312
P.O. Box 2983
Madison, WI 53701-2983

FOR THE GRANTEE:

15. **Nondiscrimination.** In the performance of work under this Agreement, Grantee agrees not to discriminate against any employee or applicant for employment because of race, religion, marital status, age, color, sex, handicap, national origin or ancestry, income level or source of income, arrest record or conviction record, less than honorable discharge, physical appearance, sexual orientation, political beliefs or student status. Grantee further agrees not to discriminate against any subcontractor or person who offers to subcontract on this Agreement because of race, religion, color, age, disability, sex, or national origin.
16. **Nondiscrimination Based on Disability.** Grantee shall comply with Section 39.05, Madison General Ordinances, "Nondiscrimination Based on Disability in City-Assisted Programs and Activities." Under section 39.05(7) of the Madison General Ordinances, no City financial assistance shall be granted unless an Assurance of Compliance with Sec. 39.05 is provided by the applicant or recipient, prior to the granting of the City financial assistance.

Grantee hereby makes the following assurances: Grantee assures and certifies that it will comply with section 39.05 of the Madison General Ordinances, "Nondiscrimination Based on Disability in City Facilities and City-Assisted Programs and Activities," and agrees to ensure that any subcontractor who performs any part of this agreement complies with sec. 39.05, where applicable. This includes but is not limited to assuring compliance by the Contractor and any subcontractor, with section 39.05(4) of the Madison General Ordinances, "Discriminatory Actions Prohibited."

Grantee may not, in providing any aid, benefit or service, directly or through contractual, licensing or other arrangements, violate the prohibitions in Section 39.05(4), listed below:

Discriminatory Actions Prohibited: Grantee assures that, in providing any aid, benefit, or service, it shall not, directly or through contractual, licensing, or other arrangements, on the basis of disability:

1. Deny a qualified person with a disability the opportunity to participate in or benefit from the aid, benefit, or service;
2. Afford a qualified person with a disability an opportunity to participate in or benefit from the aid, benefit, or service, or the City facility, that is not equal to that afforded others;
3. Provide a qualified person with a disability with a City facility or an aid, benefit, or service that is not as effective as that provided to others;
4. Provide different or separate City facilities, or aid, benefits, or services to persons with a disability or to any class of persons with disabilities unless such action is necessary to provide qualified persons with a disability with City facilities, aid, benefits, or services that are as effective as those provided to others;
5. Aid or perpetuate discrimination against a qualified person with a disability by providing significant assistance to any agency, organization, or person that discriminates on the basis of disability in providing any aid, benefit, or service to beneficiaries of the recipient's program;
6. Deny a qualified person with a disability the opportunity to participate as a member of planning or advisory boards; or
7. Otherwise limit a qualified person with a disability in the enjoyment of any right, privilege, advantage, or opportunity enjoyed by others receiving an aid, benefit, or service from a recipient, or by others using City facilities.

Grantee shall post notices in an accessible format to applicants, beneficiaries, and other persons, describing the applicable provisions of Sec. 39.05 of the Madison General Ordinances, in the manner prescribed by section 711 of the Civil Rights Act of 1964 (42 USCA Sec 2000e-10)."

17. **Comply with Laws.** Grantee will comply with all federal, state and local laws, ordinances and regulations which are applicable to this Agreement and to the conduct of Grantee and its agents and employees hereunder.

18. **Project Sign.** Grantee agrees to erect a sign on the Project to include the following language: "This Project funded in part by City of Madison Facade Improvement Grant Program."

IN WITNESS WHEREOF, the parties hereto have set their hands at Madison, WI.

GRANTEE:

By: _____
Member Date

CITY OF MADISON

By: _____
Paul R. Soglin Date
Mayor

By: _____
Maribeth L. Witzel-Behl Date
Clerk

APPROVED:

APPROVED AS TO FORM:

David P. Schmiedicke, Finance Director

Michael P. May, City Attorney