

Application for Neighborhood and Community Development Funds

Applications should be submitted electronically to cdbg@cityofmadison.com by 12:00 p.m. on the first Friday of the month and will be reviewed by the CDBG Committee on the first Thursday of the following month.

Program Title:	<u>Main Street Industries - Roof</u>	Amount Requested:	<u>\$500,000</u>
Agency :	<u>Common Wealth Development, Inc.</u>	Tax ID/EIN/FEIN:	<u>39-1323500</u>
Address:	<u>1501 Williamson St. Madison, WI 53703</u>	DUNS #	<u>030460778</u>
Contact Person:	<u>Rachel Darken</u>	Telephone:	<u>608-256-3527</u>
Email:	<u>rachel@cwd.org</u>	Fax:	<u>608-256-4499</u>

1. **Program Abstract:** Provide an overview of the project. Identify the community need to be addressed. Summarize the program's major purpose in terms of need to be addressed, the goals, procedures to be utilized, and the expected outcomes. Limit response to 150 words.

Main Street Industries (MSI) is a second-stage incubator owned and operated by Common Wealth Development and located in an old 50,000-square-foot Greyhound Bus terminal, renovated in 1996. Over the past thirty years, Common Wealth has supported over 150 small businesses, contributing to the economic vitality of Madison and Dane County.

In order to maintain quality spaces for small start-ups, MSI is in critical need for a new roof and sprinkler system.

This project will allow Common Wealth Development to continue to provide business assistance and resource-matching services to connect tenants with existing business support programs in order to support small, start-up businesses with a deliberate focus on attracting businesses owned by woman, people of color and businesses who otherwise would not have access to market-rate commercial spaces.

2. **Target Population:** Identify the projected target population for this program in terms of age, residency, race, income eligibility criteria, and other unique characteristics or sub-groups.

The targeted populations for this project are businesses owned by women, people of color, veterans and/or small start-up businesses that would not otherwise be able to afford light industrial or manufacturing production space in the City of Madison. Our goal is to continue to support the Madison economy by providing a competitive space for start-up enterprises, and by supporting them through the critical first years of operation.

As a direct result of this renovation, our goal is to create at least 14 jobs for low to moderate income individuals within the City of Madison.

3. Program Objectives: The 5-Year Plan lists 9 project objectives (A through N). Circle the one most applicable to your proposal and describe how this project addresses that objective.

- | | |
|---|---|
| ☐ A. Housing – Existing Owner-Occupied | ☐ G. Neighborhood Civic Places |
| ☐ B. Housing – For Buyers | ☐ K. Community-based Facilities |
| ☐ C. Housing – Rental Housing | ☐ L. Neighborhood Revitalization |
| ☒ E. Economic Dev. – Business Creating Jobs | ☐ N. Access to Housing Resources |
| ☐ F. Economic Dev. – Micro-enterprise | |

4. Fund Objectives: Check the fund program objective which this project meets. (Check all for which you seek funding.)

- | | | | |
|-----------------------|---|----------|---|
| Acquisition/
Rehab | ☐ New Construction, Acquisition,
Expansion of Existing Building | Futures | ☐ Prototype |
| | ☐ Accessibility | | ☐ Feasibility Study |
| | ☒ Maintenance/Rehab | | ☐ Revitalization Opportunity |
| | ☐ Other | | ☐ New Method or Approach |
| Housing | ☐ Rental Housing | Homeless | ☐ Housing |
| | ☐ Housing For Buyers | | ☐ Services |

5. Budget: Summarize your project budget by estimated costs, revenue, and fund source.

Please see Attachment #1

EXPENDITURES	TOTAL PROJECT COSTS	AMOUNT OF CD REVENUES	AMOUNT OF NON-CD REVENUES	SOURCE OF NON-CD FUNDED PORTION
A. Personnel Costs				
1. Salaries/Wages (attach detail)				
2. Fringe Benefits				
3. Payroll Taxes				
B. Non-Personnel Costs				
1. Office Supplies/Postage				
2. Telephone				
3. Rent/Utilities				
4. Professional Fees & Contract Services				
5. Work Supplies and Tools				
6. Other:				
C. Capital Budget Expenditures (Detail in attachment C)				
1. Capital Cost of Assistance to Individuals (Loans)	641,942	500,000	141,942	CW Reserves
2. Other Capital Costs:				
D. TOTAL (A+B+C)				
	641,942	500,000	141,942	

6. Action Plan/Timetable

Estimated Month of Completion
(If applicable) _____

Describe the major actors and activities, sequence, and service location, days and hours which will be used to achieve the outcomes listed in # 1.

Use the following format:
(Who) will do (what) to (whom and how many) (when) (where) (how often). A flowchart may be helpful.

Strategic Planning & Needs Assessment

Nov. 2016 – Feb. 2017

Capital Needs Assessment

January 2017

SRI Roofing Consultant contract

Summer 2017

Roof Specs. Drafted

Fall 2017

Secure funding from CDBG

March - April 2018

Bid Project

May – June 2018

Start Work

Summer - Fall 2018

Complete

late 2018

7. What was the response of the alderperson of the district to the project?

Alder. Rummel is supportive of this request.

8. Does agency seek funds for property acquisition and/or rehab? [If applicable, describe the amount of funds committed or proposed to be used to meet the 25% match requirements (HOME or ESG) with its qualifications.]

☐ No Complete Attachment A

☒ Yes Complete Attachment B and C and one of the following:

☒ D Facilities

☐ E Housing for Buyers

☐ F Rental Housing and Proforma

9. Do you qualify as a Community Housing Development Organization (CHDO)? (See attachment G for qualifications.)

☐ No

☒ Yes - Complete Attachment G

10. Do you seek Scattered Site Acquisition Funds for acquisition of service-enriched housing?

☒ No

☐ Yes - Complete Attachment B, C, F, and H

11. Do you seek ESG funds for services to homeless persons?

☒ No

☐ Yes - Complete Attachment I

12. This proposal is hereby submitted with the approval of the Board of Directors/Department Head and with the knowledge of the agency executive director, and includes the following:

☐ Future Fund (Attachment A)

☐ Housing for Resale (Attachment E)

☐ Property Description (Attachment B)

☐ Rental Housing and Proforma (Attachment F)

☐ Capital Budget (Attachment C)

☐ CHDO (Attachment G)

☐ Community Service Facility (Attachment D)

☐ Scattered Site Funds Addendum (Attachment H)

☐ ESG Funding Addendum (Attachment I)

13. Affirmative Action: If funded, applicant hereby agrees to comply with City of Madison Ordinance 39.02(9) and file either an exemption or an affirmative action plan with the Department of Civil Rights. A Model Affirmative Action Plan and instructions are available at: <http://www.cityofmadison.com/dcr/aaForms.cfm>.

14. Non-Discrimination Based on Disability: Applicant 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. Applicant hereby makes the following assurances: Applicant assures and certifies that it will comply with section 39.05 of the Madison General Ordinances, entitled "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, including all actions prohibited under section 39.05(4),. MGO." <http://www.cityofmadison.com/dcr/aaForms.cfm>

15. Notice regarding lobbying ordinance: If you are seeking approval of a development that has over 40,000 gross square feet of non-residential space, or a residential development of over 10 dwelling units, or if you are seeking assistance from the City with a value of over \$10,000 (this includes grants, loans, TIF or similar assistance),

then you likely are subject to Madison's lobbying ordinance, sec. 2.40, MGO. You are required to register and report your lobbying. Please consult the City Clerk for more information. Failure to comply with the lobbying ordinance may result in fines of \$1,000 to \$5,000.

Signature: _____ Date: _____
President-Board of Directors/Department Head

Signature: Justice Cantle _____ Date: 3/1/2018
Executive Director

For additional information or assistance in completing this application, please contact the Community Development Division at 266-6520.

COMPLETE IF PROJECT INVOLVES PURCHASE, REHAB, OR CONSTRUCTION OF ANY REAL PROPERTY:

INFORMATION CONCERNING PROPOSALS INVOLVING REAL PROPERTY

ADDRESS	ACTIVITY (Circle Each Applicable Phase)	NUMBER OF UNITS		Number of Units Currently Occupied	Number of Tenants To Be Displaced?	APPRAISED VALUE:		PURCHASE PRICE (If Applicable)	ACCESSIBLE TO INDIVIDUALS WITH PHYSICAL HANDICAPS?		PRIOR USE OF CD FUNDS IN BUILDING?
		Prior to Purchase	After Project			Current	After Rehab/ Construction		Currently?	Post-project?	
931 East Main	Purchase Rehab Construct	23	23	22	No	\$2.5M	\$2.5M	N.A.	Yes	Yes	Acquisition 1994
	Purchase Rehab Construct										
	Purchase Rehab Construct										

CAPITAL BUDGET

ATTACHMENT C

TOTAL PROJECT/CAPITAL BUDGET (include all fund sources)							
Amount and Source of Funding: ***	TOTAL	Amount	Source/Terms**	Amount	Source/Terms**	Amount	Source/Terms**
Acquisition Costs:							
Acquisition							
Title Insurance and Recording							
Appraisal							
*Predvlpmt/feasibilty/market study							
Survey							
*Marketing/Affirmative Marketing							
Relocation							
Other: _____							
Construction:							
Construction Costs	583,084	500,000	CDBG	141,442	CW Reserves		
Soils/site preparation							
Construction management							
Landscaping, play lots, sign							
Const interest							
Permits; print plans/specs	500			500	CW Reserves		
Other: _____							
Fees:							
Architect							
Engineering							
*Accounting							
*Legal							
*Development Fee							
*Leasing Fee							
Other: _____							
Project Contingency:	58,358						
Furnishings:							
Reserves Funded from Capital:							
Operating Reserve							
Replacement Reserve							
Maintenance Reserve							
Vacancy Reserve							
Lease Up Reserve							
Other							
(specify): _____							
Other							
(specify): _____							
TOTAL COSTS:	641,942	500,000		141,942			

* If CDBG funds are used for items with an *, the total cost of these items may not exceed 15% of the CDBG amount.

** Note: Each amount for each source must be listed separately, i.e. Acquisition: \$30,000 HOME, \$125,000 CRF.

*** Identify if grant or loan and terms.

FACILITIES

A. Recap: Funds would be applied to:

☐ acquisition only; ☒ rehab; ☐ new construction; ☐ acquisition and rehab or construction

B. State your rationale in acquiring or improving this space. (i.e., lower costs, collaborative effort, accessibility, etc.)

CW intends to rehab, and reposition MSI Business Incubator for another 20 years as a job creation facility.

C. What are the current mortgages or payments on property (including outstanding CDBG loans)?

<u>Amount</u>	<u>Name</u>
\$726,600	Capitol Bank 1 st mortgage loan
\$703,000	City of Madison, CDBG Program

D. If rented space:

1. Who is current owner?
2. What is length of proposed or current lease?
3. What is proposed rental rate (\$/sq. ft. and terms) and how does this compare to other renters in building or in area?

E. If this is new space, what is the impact of owning or leasing this space compared to your current level of space costs?

F. Include:

1. A minimum of two estimates upon which the capital costs are based. **SEE ATTACHED: 3 BIDS**
(Be sure to base your labor costs on enforcement of Fair Labor Standards and the payment of Federal Prevailing Wage Rate.)
2. A copy of the plans and specifications for the work, or a description of the design specifications you have in mind.
SEE ATTACHED: SRI Plans & Specs
3. If you own the building: A copy of your long range building improvement plan and building maintenance plan.
(Include a narrative describing what the building needs and how you expect to maintain it over time.)
SEE ATTACHED: Strang Engineering Report

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) ONLY

A. Please describe how the organization meets the following key criteria:

- ☒ Possesses not-for-profit, tax exempt 501(c) status
- ☒ Has a board with fewer than 1/3 of its members as public officials;
- ☒ Includes provision of affordable housing within its statement of purpose;
- ☒ Includes lower income or lower income representatives for a minimum of 1/3 of its board and includes a means for lower-income participation;
- ☒ Demonstrates its capacity and experience in service the community.