



Department of Planning & Community & Economic Development

Economic Development Division

Matthew B. Mikolajewski, Director

P.O. Box 2983
Madison, Wisconsin 53701-2983
Phone: (608) 266-4222
Fax: (608) 261-6126
obr@cityofmadison.com
www.cityofmadison.com/business

Office of Business Resources

Saran Ouk, Manager
(608) 267-1968

To: Mayor and Madison City Council

From: Ruth Rohlich, Business Development Specialist

Date: June 30, 2020

Subject: Transfer of Cooperative Development Enterprise Loan Fund from Madison Development Corporation to Shared Capital Cooperative

On July 5th, 2016 the Common Council enacted RES-16-00502 “resolution accepting the staff recommendation to select Madison Development Corporation to act as the loan manager for the Cooperative Enterprise Development Program.”

Since this enactment, the Madison Development Corporation has served as the loan manager and has issued one loan for \$50,000 to Union Cab to expand their fleet of accessible cabs.

In November of 2021 Madison Development Corporation reached out to the City to discuss moving this loan fund to another organization to better serve the needs of Cooperatives. The remaining loan fund balance of \$107, 272.42, was moved to the Center for Community Stewardship (C4CS), which acts as the fiscal agent for the technical assistance part of the Worker Cooperative Enterprise program.

In December of 2021 the single cooperative loan managed by Madison Development Corporation made a payment of \$34,411.59.

In the beginning of 2022 the full \$107,272.42, being held at C4CS was returned to the City of Madison’s Cooperative Enterprise Development Loan Fund budget account.

Since the beginning of the Cooperative Development Enterprise program Shared Capital Cooperative, a Community Development Financial Institution (CDFI), has supported and trained City Staff and the Madison Development Corporation to create and manage a loan fund dedicated to worker cooperatives.

Because of the specialized nature of lending to cooperatives and the on-going relationship with Shared Capital Cooperative, we are asking the Council approve the transfer of the \$107, 272.42 as well as \$142,727.58 from the Cooperative Development Enterprise Loan allocation, for a total of \$250,000, to Shared Capital Cooperative to continue the Cooperative Enterprise Loan Fund for City of Madison Cooperatives.

July 5, 2022

Page 2

We are also asking that the remaining outstanding loan currently being serviced by the Madison Development Corporation be revolved back into their business loan fund, less fees associated with the service of the loan, to support Madison businesses.

The loan fund accompanies two already approved programs of the Cooperative Enterprise Development Project, the Madison Cooperative Development Coalition (MCDC) that provides organizing and technical assistance for worker cooperatives and the Kiva Worker Cooperative Loan Match.

Thank you,

Ruth Rohlich
Business Development Specialist
rrohlich@cityofmadison.com
608-267-4933