



City of Madison

City of Madison
Madison, WI 53703
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Master

File Number: 48471

File ID: 48471

File Type: Resolution

Status: Unfinished
Business

Version: 1

Reference:

Controlling Body: COMMON
COUNCIL

Lead Referral: FINANCE COMMITTEE

File Created Date : 08/18/2017

File Name: Small Cap TIF loan #32 to Scott Pratt & Michele Wee
for up to \$100,000 to renovate the property located at
308 N. Carroll Street, Madison, WI.

Final Action:

Title: Approving a Small Cap TIF #32 Mansion Hill-James Madison Park Neighborhood loan of up to \$100,000 to Scott Pratt & Michele Wee, Borrower(s), for the renovation of the property located at 308 N. Carroll Street, Madison, WI and its conversion from rental to owner-occupied housing; and authorizing the Mayor and City Clerk to execute a loan agreement with the Borrower(s) to effectuate this transaction.

Notes:

CC Agenda Date: 11/21/2017

Sponsors: Ledell Zellers and Michael E. Verveer

Effective Date:

Attachments:

Enactment Number:

Author: Terri Goldbin

Hearing Date:

Entered by: jstoiber@cityofmadison.com

Published Date:

Approval History

Version	Date	Approver	Action
1	08/28/2017	Brent Sloat	Approve

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Community Development Division	08/18/2017	Referred for Introduction				
	Action Text:		This Resolution was Referred for Introduction				
	Notes:	Finance Committee					
1	COMMON COUNCIL	09/05/2017	Refer	FINANCE COMMITTEE		09/11/2017	Pass

Action Text: A motion was made by Rummel, seconded by Baldeh, to Refer to the FINANCE COMMITTEE. The motion passed by voice vote/other.

Notes:

1	FINANCE COMMITTEE	09/11/2017	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
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Action Text: A motion was made by Rummel, seconded by Verveer, to RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER. The motion passed by voice vote/other.

Notes:

1	COMMON COUNCIL	09/19/2017	Adopt	Pass
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Action Text: A motion was made by Baldeh, seconded by Verveer, to Adopt. The motion passed by voice vote/other.

Notes:

1	COMMON COUNCIL	10/03/2017	Reconsider	Pass
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Action Text: A motion was made by Rummel, seconded by Baldeh, to Reconsider. The motion passed by voice vote/other.

Notes:

1	COMMON COUNCIL	10/03/2017	Refer	COMMON COUNCIL	Pass
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Action Text: A motion was made by Verveer, seconded by Zellers, to Refer to the COMMON COUNCIL. The motion passed by voice vote/other.

Notes:

1	COMMON COUNCIL	10/17/2017	Re-refer	COMMON COUNCIL	Pass
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Action Text: A motion was made by Rummel, seconded by Baldeh, to Re-refer to the COMMON COUNCIL meeting on 11/21/2017. The motion passed by voice vote/other.

Notes: Adopt 11/21/2017

Text of Legislative File 48471

Fiscal Note

The proposed resolution approves a Small Cap TIF loan of \$100,000 to Scott Pratt and Michele Wee (“Borrower”) for renovation of the property located at 308 N Carroll Street in the Mansion Hill-James Madison Park Neighborhood. This renovation includes conversion from rental to owner-occupied housing. The 2017 Adopted Capital Budget includes \$440,000 for the State Street District Improvement Retail Grant and Small Capital Loan Programs in Tax Increment District 32. A pending resolution (File ID: 48235) will amend the 2017 Adopted Capital Budget to add \$260,000 to the aforementioned programs.

The retail grant program has awarded \$132,242.30 to date and the small capital loan program has awarded \$90,000 to date. A State Street Retail Grant totaling \$119,090 has been recommended for Council adoption (File ID: 48224). Upon Common Council adoption of the 2017 Adopted Capital Budget amendment (File ID: 48235), adoption of the aforementioned State Street Retail Grant (File ID: 48224), disbursement of \$80,000 for a separately proposed Small Cap TIF loan (File ID: 48438), and disbursement of \$100,000 for the Small Cap TIF loan proposed by this resolution, the remaining balance for the State Street District Improvement Retail Grant and Small Capital Loan Programs will be \$178,667.70. These grant and loan programs are funded by Tax Increment District 32.

Title

Approving a Small Cap TIF #32 Mansion Hill-James Madison Park Neighborhood loan of up to \$100,000 to Scott Pratt & Michele Wee, Borrower(s), for the renovation of the property located at 308 N. Carroll Street, Madison, WI and its conversion from rental to owner-occupied housing;

and authorizing the Mayor and City Clerk to execute a loan agreement with the Borrower(s) to effectuate this transaction.

Body

BACKGROUND

The Mansion Hill-James Madison Park Neighborhood program, part of the approved plan for Tax Incremental District #32 (Upper State Street) was created on January 2011 (RES-11-00042, Legistar #20749) for the purpose of assisting with conversion of deteriorating rental housing into renovated owner occupied. The program was amended on August 2014 (RES-14-00576, Legistar #34644), April 2015 (RES-15-00344, Legistar #37775) and November 2016 (RES-16-00856, Legistar #44934). It provides forgivable loans to eligible borrowers for the purchase and/or renovation of rental properties in the Mansion Hill-James Madison Park Neighborhood.

Loan funds provided through the Program for each renovation project are subject to the following conditions:

- TIF assistance is provided in the form of a 0% interest note secured by subordinated mortgage on the Property, with no debt service payments. Principal balance is forgiven after the completion of renovation work has been verified by the City. A Land Use Restriction Agreement (LURA) is also executed, to ensure owner-occupancy for the entire ten-year period, and contains a penalty provision requiring loan repayment of up to \$50,000 to the City if the Property is rented for more than 12 consecutive months or becomes non-owner occupied.
- Borrower must provide a commitment for a title insurance policy of the proper type and amount of coverage to the City. The City shall receive a lender's policy.
- Borrower and its contractors/subcontractors must comply with all applicable provisions of the Madison General Ordinance (MGO) 39.02(9), concerning contract compliance requirements. Prior to commencing construction, Borrower must:
 - contact the City's Civil Rights Division to assure that Borrower is in compliance with the aforementioned requirements;
 - assist and actively cooperate with the Civil Rights Division in obtaining the compliance of contractors and subcontractors with such applicable provisions of the MGO; and
 - allow maximum feasible opportunity to minority/disadvantaged women business enterprises to compete for any contract.
- Borrower must meet applicable accessibility accommodations for the Project, as required by MGO 39.05.
- Borrower must comply with all applicable local, state and federal provisions concerning Equal Opportunity and Fair Housing.
- Borrower must guarantee that the construction of the Project will be completed within one year of closing, or City approves an extension.

ACTION

WHEREAS, Scott Pratt & Michele Wee, ("Borrowers"), agrees to renovate the property located

at _308 N. Carroll Street, Madison, WI (“Property”) and either be the owner-occupant(s) or sell the Property to a “Qualified Buyer”; and

WHEREAS, after review of the Borrower’s Small Cap TIF application and its attachments, staff has concluded that Small Cap TIF assistance of up to \$100,000 would stimulate the rehabilitation and conversion of the Property into owner-occupied housing as set forth in the adopted Small Cap TID #32; and

WHEREAS in addition to any other powers conferred by law, the City may exercise any power necessary and convenient to carry out the purpose of the TIF law , including the power to cause Project Plans to be prepared, to approve such plans, and to implement the provisions that effectuate the purpose of such plans; and

NOW THEREFORE BE IT RESOLVED that the City hereby finds and determines that the Project is consistent with the public purposes, plans and objectives set forth in the TIF #32 Project Plan and that the City’s loan to the Borrower will stimulate redevelopment in TID #32, thereby contributing to accomplishment of the public purpose objectives set forth in the Project Plan and its amendment, the TIF Law and City TIF Policy; and,

BE IT FURTHER RESOLVED, that funding is subject to the conditions described herein; and

BE IT FINALLY RESOLVED, that the TIF loan to the Borrower is hereby approved in an amount not to exceed \$100,000, and that the Mayor and City Clerk are hereby authorized to execute a loan agreement and other documents as may be necessary to effectuate the transaction all of which are subject to the approval of the City Attorney .