



Legislation Text

File #: 82847, Version: 1

Fiscal Note

The proposed resolution authorizes a Small Cap TIF loan in the amount of \$125,000 to Atwood Music Hall, LLC. The Small Cap TIF Loan Program is included in the TID 54 Project Plan (RES-23-00507, Leg file 78314), and Madison Development Corporation (MDC) is authorized to administer the Small Cap TIF Loan program in City of Madison TIDs (RES-23-00470, Leg file 78323). At loan closing, the City shall disburse an amount equal to 15% of the principal amount of loan to MDC from Program funds for servicing, and 15% of the principal amount of the loan to MDC from Program funds for servicing and closing fees. The aggregate (30%) of all such loan fees for this loan will be \$37,500. Funds for this loan are included in the Economic Development Division's 2024 Adopted Capital Budget as TID-support GO Borrowing. No additional City appropriation is required.

Title

Authorizing a loan to Atwood Music Hall LLC or its assigns in the amount of \$125,000 for real estate improvements to the commercial property at 1925 Winnebago Street through the TID 54 Small Cap TIF loan program using TID #54 incremental revenue as authorized in an amendment to the TID #54 Project Plan (RES 23-00507) adopted by the Common Council on July 25, 2023. (District 6)

Body

WHEREAS, the City of Madison has created the boundary and Project Plan for Tax Incremental District (TID) #54 on July 25, 2023 RES-23-00507 (File ID Number 78314); and

WHEREAS, the intent and purpose of the Project Plan, among other things, is to attract and retain business and employment in the area generally bounded by Packers Ave, First Street, Fordem Ave, and Aberg Ave; and

WHEREAS, Atwood Music Hall will operate its businesses out of this location and the improvements will help renovate this 10,900 sq. ft. 1931 constructed music venue that will solidify the neighborhood as an Arts District by complementing and connecting The Bur Oak, The Barrymore Theatre, and Communication; and

WHEREAS, Atwood Music Hall LLC would utilize Small Cap TIF program funds to assist with the real estate improvements for the property located at 1925 Winnebago Street, hereby meeting the requirements of the Small Cap TIF program; and

WHEREAS, the program guidelines stipulate through these funds borrowers may receive zero-percent (0%) loans, not to exceed \$250,000, for the purpose of purchasing real estate, financing real estate improvements or not to exceed \$150,000 for purchasing capital machinery and equipment and for each anniversary year of the Common Council authorization of the Loan, 20% of the original principle of the Loan is forgiven until the entire balance is forgiven at the end of five (5) years; and

WHEREAS, the City of Madison has a service contract with Madison Development Corporation (MDC) to market the Program to eligible small businesses and MDC shall qualify all Borrowers for eligibility and credit-worthiness; and

WHEREAS, MDC created a loan summary report and the MDC Loan Committee has recommended an

investment of \$125,000 of TID 54 Small Cap TIF loan program funds using TID #54 incremental revenue to this project.

NOW, THEREFORE BE IT RESOLVED, that the Common Council authorizes a \$125,000 TID 54 Small Cap TIF loan program using TID #54 incremental revenue to Atwood Music Hall LLC and/or its assigns for real estate improvements to the property at 1925 Winnebago Street; and

BE IT FINALLY RESOLVED that the Mayor and City Clerk are hereby authorized to execute a loan agreement and/or any other documents as may be necessary to effectuate the transaction, all of which are subject to the approval of the City Attorney.