



Legislation Text

File #: 13728, **Version:** 1

Fiscal Note

Adoption of this resolution would result in the reallocation of available staff resources to further develop the "BioLink" incubator project concept and would have no direct budgetary impact. This project was not included in the adopted Capital Budget, and because it is still in the conceptual stage, all necessary funding, management structure and budgetary terms have not yet been finalized. Before development could commence, separate Common Council approvals would be required to enter into a grant agreement with the Economic Development Administration, to enter into a development agreement with Madison Development Corporation and to amend the Capital Budget to authorize the expenditure of City and TIF resources for this purpose.

Title

Authorizing City staff to submit an application to the U.S. Economic Development Administration for up to a \$4 million grant to construct the Midwest BioLink Commercialization and Business Center (BioLink) within the BioAg Gateway, and accepting the willingness of the Madison Development Corporation (MDC) to serve as co-applicant on said application.

Body

WHEREAS, the City of Madison purchased 27-acres of what is now the BioAg Gateway for the purpose of attracting and growing Bio-Ag related businesses; and,

WHEREAS, an incubator facility, herein called the Midwest BioLink Commercialization and Business Center ("BioLink") is a key component of the development of the BioAg Gateway; and,

WHEREAS, the City of Madison recently created TID #39 for the purpose of continuing economic development activities on the southeast side of Madison; and,

WHEREAS, City staff recently became aware of an opportunity to secure grant funding from the U.S. Economic Development Administration ("EDA") to construct BioLink through the "Supplemental Appropriations Disaster Relief Opportunity, Economic Adjustment Assistance, CFDA # 11.307" ("EDA Grant"); and,

WHEREAS, the EDA Grant requires a 75% (EDA) / 25% (Local) match; and,

WHEREAS, through an investment of \$1,264,650 through TID # 39 and a contribution of a 2.63 acre property within the BioAg Gateway (World Dairy Campus - Lot # 10) valued at approximately \$573,000 that may likewise be funded through TIF # 39, the City can receive a grant in the amount of up to \$4,000,000 from the EDA; and,

WHEREAS, receipt of grant funds will likely require execution of a grant agreement with the EDA; and,

WHEREAS, City staff is in the process of possibly securing an additional \$100,000 from other outside sources to contribute to the local match; and,

WHEREAS, the City must partner with a non-profit economic development corporation in order to qualify as an applicant; and,

WHEREAS, City staff recommends partnering with the Madison Development Corporation ("MDC"), whose Board has approved such partnership; and,

WHEREAS, construction and management of BioLink will be managed by MDC, or its assigns; and,

WHEREAS, the EDA and local match funding for capital costs and land contribution (\$4,507,650 total) will enable MDC to construct a 21,000 s.f. BioLink incubator facility, which would include Prototyping/Flex space, a Commercialization Greenhouse (including a Head House), and Office/Meeting space; and,

WHEREAS, the EDA funding would uniquely cover the operational expenses of the facility for three (3) years (\$930,000 total), including staff (annual payroll of \$250,000) and utilities/maintenance/property management (annual expense of \$60,000); and,

WHEREAS, BioLink may be a non-taxable incubator, and might not generate property tax for the City, requiring repayment of TIF indebtedness through an increase in value of other taxable property in TID # 39; and,

WHEREAS, BioLink has the opportunity to generate forty (40) employment positions on the property, with the likelihood that BioLink will graduate tenants and attract other businesses to the City of Madison, generating additional employment opportunities.

NOW THEREFORE BE IT RESOLVED that the Common Council does hereby authorize City staff to submit an application to the EDA for up to \$4,000,000 to construct and operate BioLink within the BioAg Gateway through a grant through the "Supplemental Appropriations Disaster Relief Opportunity, Economic Adjustment Assistance, CFDA # 11.307", recognizing the parameters as outlined in the Whereas clauses above; and,

BE IT FINALLY RESOLVED that the Common Council does hereby accept the willingness of the Madison Development Corporation (MDC) to serve as a co-applicant on said application.