



Legislation Text

File #: 61060, **Version:** 5

Fiscal Note

The proposed resolution adds the Downtown Recovery Program to the Façade Improvement Grant program. The 2020 Adopted Capital Budget includes \$125,000 for the Façade Improvement Grant program. In 2020, this entire program was funded through reserves in the Capital Revolving Loan Fund. The current balance of the 2020 appropriation is approximately \$60,000. This resolution does not increase the overall funding amount for the program in 2020, or transfer additional funding from other capital sources. Instead, the resolution expands eligibility under the current Façade Improvement program to fund building repairs in the Downtown.

Title

ALTERNATE - Amending Resolution Substitute Resolution No.61179 relating to the purposes of the Façade Improvement Grant Fund add a stated purpose of Downtown Recovery.

Body

WHEREAS on State Street alone, 70 percent of businesses are locally owned and operated, and 62 percent of businesses are owned by people of color and women; and,

WHEREAS, these businesses also employ many Madisonians, including a number of people of color and women; and,

WHEREAS, the COVID-19 shutdown and recent activity has prompted 41 business owners to indicate in a recent survey that they will find it difficult to reopen and could close permanently; and,

WHEREAS, this area is a substantial economic driver for our City and our residents want to ensure its survival, and

WHEREAS, according to the Downtown Plan, we aim to make this a magnet for a diverse population working, living, visiting, and enjoying an urban environment; and,

WHEREAS, a going concern for downtown Madison is critical in continuing to attract new jobs, residents and visitors; and,

WHEREAS, we wish to support the survival of the retail and service environment; and,

WHEREAS, the City of Madison desires to provide financial assistance to existing downtown businesses as the first step toward promoting a more equitable downtown recovery; and,

WHEREAS, on February 3, 2004, the Common Council of the City of Madison adopted Amended Substitute Resolution No.61179 (the "Resolution") to accept the policy objectives for the program, which are contained in the Attachment; and,

WHEREAS, the Common Council desires to amend the purposes of the fund to support the objective set forth herein, referred to as the Downtown Recovery Program,

NOW THEREFORE BE IT RESOLVED, that the Resolution is amended to add the Downtown Recovery Program as an objective of the Façade Improvement Grant Program with the following structure:

1. Priority will be given to applicants who are people of color, immigrants, women, the disabled, veterans and

any other underrepresented groups;

2. Provide grants to small, independently-owned downtown businesses that have suffered extraordinary losses in 2020;
3. That businesses who apply should meet the following criteria:
 - Ownership/management that meet one or more of the following:
 - A business or building with at least 50% of the owners residing in Dane County.
 - A business with at least 50% of key managers living in Dane County, and where said managers independently control purchasing decisions, managers make independent decisions regarding the name and look of the business, including marketing, advertising, logo design and branding decisions. Managers make independent decisions regarding business procedures, practices and policies.
 - A business that is headquartered in and registered to a Dane County address.
 - Occupy a storefront, retail, or commercial space physically located within the City of Madison downtown;
 - Have experienced more than \$500 in damages in 2020;
 - Be in compliance with all local, state, and federal taxes (or on an approved payment plan);
 - Employ 20 or fewer full-time equivalent (FTE) employees, including the owner(s);
 - Earn less than \$750,000 in annual revenues (gross sales and receipts).
4. The City will subtract the amount of reimbursement received by the business for repair or insurance deductible costs through any other program (internal or external to the City) from the total cost of the repairs or insurance deductible used in the City's calculation of support through the Recovery Program.
5. Grant Terms:
 - Grants may be up to \$12,000 per business location, but are limited to the lesser of the insurance deductible or the actual cost of the building repair.
 - Recipient shall provide documentation that contractors have been paid, or the insurance deductible has been paid. Adequacy of such evidence is at the discretion of the City.
6. Eligible Expenses
 - Eligible Expenses are limited to exterior repair to commercial structures, including, but not limited to, the repair or replacement of damaged windows, doors, signage, lighting, and exterior façade items, the cleaning of exterior façade surfaces, the repair and cleaning of interior spaces, fixtures, furniture, and costs associated with boarding-up facades.
 - Exclusions: Loss of business, payroll, and related operating costs (including rent, taxes, special assessments, and utilities) are not eligible for reimbursement.
7. Administration
 - The program will be managed by the Department of Planning, Community, and Economic Development (DPCED).
 - DPCED staff will prepare an application to request funds. The Application will require documentation that repairs have been made and either the contractor(s) or insurance company deductible has been paid.
 - Authorization is granted to the DPCED Director, or their assigns, to approve each grant without further Council action.
 - Each grant will be processed as a Purchase Order billed against this program account, and not a contract. Therefore, standard City contract requirements will not apply to these grant recipients. Any requirements for Purchase Orders will apply.
 - Applications will be processed in the order they are received, as long as funding is available.

- The DPCED Director is allowed to make modifications to the program without further Council action as long as the use of the funds are generally consistent with the purpose of the program in a form approved by the City Attorney.”; and,

BE IT FURTHER RESOLVED, that the Grants provided by the City of Madison will be matched dollar for dollar by non-City sources; and,

BE IT FINALLY RESOLVED that the Economic Development Division staff are directed to prepare documents and policies, and Ordinances or Resolutions, if necessary to carry out the purposes of this resolution.