



Legislation Text

File #: 25423, **Version:** 1

Fiscal Note

This Resolution will provide an amendment to the 2012 Adopted Brownfields Remediation Revolving Loan Fund to reauthorize \$325,000 in total grant expenditures (which had been previously committed to another project that will now not be proceeding) and to reallocate \$200,000 of these grant proceeds to another project, with \$125,000 balance in the Fund that can be utilized for additional projects. There is no impact on the levy.

Title

Authorizing the award of a grant of BREWD funds in an amount not to exceed \$200,000 to The Constellation Project LLC for the demolition, remediation, and redevelopment of property at 754 E. Washington Avenue and 741 E. Mifflin Street; rescinding RES-11-00546 (Legistar #22676) for a previously-approved \$325,000 BREWD grant; and, amending the adopted 2012 Adopted Budget of the Brownfields Remediation Revolving Loan Fund by reauthorizing \$325,000 in total grant expenditures, with \$200,000 in expenditures reallocated to the Constellation Project LLC, with the balance of \$125,000 available for future projects.

Body

WHEREAS, the City of Madison received a \$1,000,000 award from the State of Wisconsin to capitalize the Brownfield Remediation/Elimination & Workforce Development (BREWD) program; and,

WHEREAS, the Common Council adopted the current BREWD program guidelines on February 23, 2010; and,

WHEREAS, The Constellation Project LLC submitted an application for BREWD funding on January 27, 2012 for the demolition, remediation, and redevelopment of property comprising approximately 1.5 acres located at 754 E. Washington Avenue and 741 E. Mifflin Street ("Property").

NOW THEREFORE BE IT RESOLVED that the Common Council awards a grant of BREWD funds in an amount not to exceed \$200,000 to The Constellation Project LLC or its permitted assigns ("Developer") for the demolition, remediation, and redevelopment of property at 754 E. Washington Avenue and 741 E. Mifflin Street (the "Grant"); and,

BE IT FURTHER RESOLVED that the Common Council waives the requirement of the aforementioned BREWD program guidelines that only permits "residential uses occupying no more than 50% of the total floor area of building(s) within the Property;" and,

BE IT FURTHER RESOLVED that the Common Council rescinds RES-11-00546 (Legistar #22676), which had previously awarded \$325,000 of BREWD funds to Hovde Properties LLC for a project at 925 E. Washington Avenue; and,

BE IT FURTHER RESOLVED that the Common Council amends the "Brownfields Remediation Revolving Loan Fund" Special Fund Statement within the adopted 2012 Operating Budget to reflect a reauthorization of \$325,000 in total expenditures, a reallocation of \$200,000 to the Constellation Project LLC, and the remaining \$125,000 available for other future projects; and,

BE IT FURTHER RESOLVED that the Common Council authorizes the City Attorney's Office to draft a BREWD Grant Agreement in accordance with the BREWD program guidelines referenced above, and that said Grant Agreement should include the following specific terms:

- That the City shall secure the Grant with a subordinate mortgage on the Property to be satisfied upon the issuance of a Certificate of Occupancy for the first occupied commercial structure developed on the site and satisfaction of the job creation requirements.
- That the City shall require a minimum of six (6) permanent full-time equivalent (40 hours per week) positions on the Property that conform to the City of Madison Living Wage Ordinance (Section 4.20, MGO) within four (4) years of issuance of a Certificate of Occupancy for the first occupied commercial structure developed on the site; or, be subject to repayment of grant funds per the program guidelines referenced above.
- That the Grant will be used for the demolition and remediation activities consistent the aforementioned application.
- That the Property will redevelop in a manner consistent with the aforementioned application, recognizing that final development plans are subject to future City approvals; and,

BE IT FURTHER RESOLVED that the Common Council authorizes the City Attorney's Office to draft a BREWD Grant Agreement with the following disbursement contingencies (which differ from the aforementioned program guidelines) so that funds are disbursed when:

- Developer expends eligible demolition and remediation costs that exceed the aggregate amount of the Grant and any required match (\$330,000).
- The Wisconsin Department of Natural Resources is satisfied with the completed demolition and remediation activities.
- The Developer has submitted invoices documenting project-related expenses and lien waivers demonstrating that all contractors have been paid.
- The Developer provides evidence (such as development entitlements, a building permit, or executed construction contract) to the satisfaction of the City that construction will begin within a reasonable period of time after disbursement of the Grant on the first commercial building that will house the positions noted above; and,

BE IT FINALLY RESOLVED that the Mayor and City Clerk are authorized to execute said BREWD Grant Agreement and any other documents necessary to complete the transaction described in this Resolution, all in a form approved by the City Attorney.