



Legislation Text

File #: 61605, **Version:** 1

Fiscal Note

Amending the 2020 Adopted Capital Budget of the Economic Development Division to appropriate \$750,000 for a Small Business Equity and Recovery Program (SBER) by appropriating \$750,000 in GO Borrowing from various capital projects. This program will be funded by transferring \$750,000 of GO Borrowing from existing capital projects. Under this proposal GO Borrowing will be transferred from the following projects:

- CCB 4th Floor Remodel: \$303,000
- Midtown Police Station: \$250,000
- North Side Public Safety Campus Planning: \$197,000

Title

Amending the 2020 Adopted Capital Budget of the Economic Development Division to appropriate \$750,000 for a Small Business Equity and Recovery Program (SBER).

Body

WHEREAS, small businesses, especially those owned by people of color, have been negatively impacted by the COVID-19 pandemic; and,

WHEREAS, many small businesses face the real prospect of permanently closing as a result of the current pandemic; and,

WHEREAS, although some Federal and State programs exist to help small business owners during this time, not all small business owners have been able to take advantage of these programs and the programs have not provided enough relief to all small business owners; and,

WHEREAS, business owners of color and other entrepreneurs from historically underrepresented groups of people have had greater challenges accessing Federal and State programs because of language barriers, lack of relationships with private lenders, reduced ability to hire accountants and attorneys, and other long-term systemic differences between the resources available to business owners in the majority and those in less represented groups within the business community; and,

WHEREAS, the Common Council desires to help these businesses financially in their response to the current COVID-19 crisis; and,

WHEREAS, a Small Business Equity and Recovery Program (SBER) can provide financial support to under-resourced businesses owned by people of color and other historically underrepresented groups of individuals during this period of immediate COVID-19 response; and,

WHEREAS, in addition to response, the Common Council desires to begin the process of building a post-COVID-19 economy that is more equitable than the economy at the start of the crisis; and,

WHEREAS, the City of Madison desires to partner with existing and potential entrepreneurs, especially within the City's black community and other communities of color, to take the important steps needed toward promoting a more equitable recovery; and,

WHEREAS, the Small Business Equity and Recovery Program (SBER) will provide a path toward equitable prosperity, especially within the black community, by providing tools and support to diverse entrepreneurs to prepare for our post-COVID economy; and,

WHEREAS, the SBER program can also improve physical access in the City through the use of public funds to remove longstanding barriers to accessibility of businesses; and,

WHEREAS, the SBER may include the following sub-programs:

- A grant program to provide small businesses owned by people of color and other historically underrepresented groups of individuals' funds to purchase Personal Protective Equipment (PPE), make minor physical space modifications, and buy other material/equipment that was not anticipated for their business in 2020, but is necessary to respond to COVID-19.
- A grant program to provide assistance for small businesses owned by people of color and other historically underrepresented groups of individuals who have suffered disproportionate revenue losses in 2020.
- Increased funding of the Black Chamber of Commerce, Latino Chamber of Commerce, and other similar business organizations that provide technical assistance and counseling to small businesses owned by people of color and other historically underrepresented groups of individuals in response to COVID-19.
- Additional match funding toward the Kiva Madison program to reduce the barrier of businesses owned by people of color and other historically underrepresented groups of individuals to crowd-source funding for their businesses during this time.
- A grant program targeted at making accessibility improvements to customer-facing spaces that do not meet current ADA standards.
- A Commercial Building Improvement Grant Program to assist entrepreneurs of color and other business owners from other historically underrepresented groups with making more significant physical changes to commercial spaces in direct response to COVID-19; or, as a result of a required move due to COVID-19.
- A BusinessReady program patterned off of the successful MarketReady Program related to the Madison Public Market. Under this program, the City would select, via competition, a group of individuals to form a "cohort" that would collaboratively move through the steps of getting their business ready to start or expand. Entrepreneurs selected to be part of the "cohort" would be provided with technical assistance and in some cases small cash grants to help prepare their business plans, line-up financing, prepare legal documents, purchase equipment, etc. At the end of the program, a handful of participants would receive a

more substantial cash grant to move forward with opening. The program would be managed by EDD staff in collaboration with external technical assistance provider(s) selected via RFP.

- Recognizing the rapidly changing COVID-crisis, to the extent that in-person gatherings are permitted, the City could help underwrite pop-up retail opportunities in collaboration with neighborhood business organizations. These pop-up retail opportunities could be targeted to business owners of color and other historically underrepresented groups.
- Efforts to support a more robust online platform for both existing business owners and participants in the BusinessReady program. Technical assistance could be provided to assist business owners with improving or creating a business plan with a strong online presence. Funding would be used to retain an outside provider of this technical assistance.
- Other similar efforts identified in the months ahead.

NOW THEREFORE BE IT RESOLVED that the 2020 Economic Development Division Capital Budget is amended to appropriate \$750,000 for the Small Business Equity and Recovery Program (SBER), funded by GO Borrowing (\$750,000); and,

BE IT FURTHER RESOLVED that funding will be transferred from the following projects:

- CCB 4th Floor Remodel: \$303,000
- Midtown Police Station: \$250,000
- North Side Public Safety Campus Planning: \$197,000; and,

BE IT FINALLY RESOLVED that Economic Development Division staff are directed to prepare future Ordinances and Resolutions for each sub-program of the Small Business Equity and Recovery Program (SBER) in the months ahead, each requiring approval of the Common Council.