



Legislation Text

File #: 83170, Version: 1

Fiscal Note

The proposed resolution authorizes a Small Cap TIF Loan in the amount of \$100,000 to Revive Restoration, Inc. for real estate improvements at a commercial property at 925 Applegate Rd. 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 \$30,000.

The TID 51 Project Plan includes \$1.5 million for Small Cap TIF Loans. The Common Council approved the TID 51 Project Plan in 2023 (RES-23-00208, Leg file 75809). Council further authorized Madison Development Corporation (MDC) to administer the program in TID 51 (RES-23-00470, Leg file 78323). Funding for TID 51 projects is available through TIF increment donated from other TIDs to TID 51.

Three other Small Cap TIF loans in TID 51 have been approved by Council: \$212,500 (RES-23-00651, Leg file 80079), \$250,000 (RES-23-00776, Leg file 80813), and \$80,000 (RES-24-00060, Leg file 81363). With this resolution, the total amount expended from the program (including MDC service fees) is \$835,350.

Title

Authorizing a loan to Revive Restoration, Inc., or its assigns in the amount of \$100,000 for real estate improvements to the commercial property at 925 Applegate Road through the TID 51 Small Cap TIF loan program using TID #51 incremental revenue as authorized in an amendment to the TID #51 Project Plan (RES 23-00208 adopted by the Common Council on March 7, 2023). (District 14)

Body

WHEREAS, the City of Madison has created the boundary and Project Plan for Tax Incremental District (TID) #51 on March 7, 2023 RES-23-00208 (File ID Number 75809); and

WHEREAS, the intent and purpose of the Project Plan, among other things, is to attract and retain business and employment in the South Madison area generally bounded by Fish Hatchery Road, the Beltline Highway, John Nolan Drive, and Murphy Creek; and

WHEREAS, Revive Restoration, Inc. will operate its businesses out of this location and the improvements will raze 2 buildings located at 925 and 995 Applegate Road to construct a 3-story, 36,691 square foot building with a finished office and retail area attached to a 1-story warehouse. The company plans to host industry training sessions and outside industry training. The company has been in operation for over six years; and

WHEREAS, Revive Restoration, Inc would utilize Small Cap TIF program funds to assist with the real estate improvements for the property located at 925 Applegate Road, 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 \$100,000 of TID 51 Small Cap TIF loan program funds using TID #51 incremental revenue to this project.

NOW, THEREFORE BE IT RESOLVED, that the Common Council authorizes a \$100,000 TID 51 Small Cap TIF loan program using TID #51 incremental revenue to R.E. Golden Produce Company, Inc and/or its assigns for real estate improvements to the property at 925 Applegate Road; 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.