



Legislation Text

File #: 83174, **Version:** 1

Fiscal Note

The proposed resolution authorizes a Small Cap TIF Loan in the amount of \$125,000 to Little Tibet Market & Cafe for real estate improvements at a commercial property at 1113 N. Sherman Ave. 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 \$37,500.

The TID 54 Project Plan includes \$1.0 million for Small Cap TIF Loans. The Common Council approved the TID 54 Project Plan in 2023 (RES-23-00507, Leg file 78314). Council further authorized Madison Development Corporation (MDC) to administer the program in future TIDs through the adoption of the TID 51 Project Plan (RES-23-00470, Leg file 78323). Funds for this loan are included in the Economic Development Division's 2024 Adopted Capital Budget as TID-support GO Borrowing. No additional City appropriation is required.

One other Small Cap TIF loan in TID 54 is in process: \$125,000 to Atwood Music Hall LLC (Leg file 82847). These two loans, including MDC service fees, total \$325,000.

Title

Authorizing a loan to Little Tibet Market & Café or its assigns in the amount of \$125,000 for real estate improvements to the commercial property at 1113 North Sherman Avenue through the TID 54 Small Cap TIF loan program using TID #54 incremental revenue as authorized in an amendment to the TID #54 Project Plan (RES 23-00507) adopted by the Common Council on July 25, 2023). (District 12)

Body

WHEREAS, the City of Madison has created the boundary and Project Plan for Tax Incremental District (TID) #54 on July 25, 2023 RES-23-00507 (File ID Number 78314); and

WHEREAS, the intent and purpose of the Project Plan, among other things, is to attract and retain business and employment in the area generally bounded by Packers Ave, First Street, Fordem Ave, and Aberg Ave; and

WHEREAS, Little Tibet Market & Café will operate its businesses out of this location and the improvements will create a specialty ethnic grocery store, a production house for wholesale frozen dumplings, and restaurant. The market will retail a wide range of Indian and southeast Asian inspired goods at affordable prices from different brands. Little Tibet Market & Café will also serve freshly prepared restaurant dishes for takeout or delivery with a juice bar; and

WHEREAS, Little Tibet Market & Café would utilize Small Cap TIF program funds to assist with the real estate improvements for the property located at 1113 North Sherman Avenue, 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 \$125,000 of TID 54 Small Cap TIF loan program funds using TID #54 incremental revenue to this project.

NOW, THEREFORE BE IT RESOLVED, that the Common Council authorizes a \$125,000 TID 54 Small Cap TIF loan program using TID #54 incremental revenue to Little Tibet Market & Café and/or its assigns for real estate improvements to the property at 1113 North Sherman Avenue; 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.