



## Legislation Details (With Text)

**File #:** 06942 **Version:** 1 **Name:** Authorizing the provision of CDBG funds to assist the Goodman Atwood Community Center to develop a gymnasium to serve Atwood and Worthington area residents in ways that address City Community and Neighborhood Development Objectives.

**Type:** Resolution **Status:** Passed

**File created:** 7/9/2007 **In control:** COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE

**On agenda:** 8/7/2007 **Final action:** 8/7/2007

**Enactment date:** 8/8/2007 **Enactment #:** RES-07-00835

**Title:** Authorizing the provision of CDBG funds to assist the Goodman Atwood Community Center to develop a gymnasium to serve Atwood and Worthington area residents in ways that address City Community and Neighborhood Development Objectives.

**Sponsors:** Tim Bruer, Thuy Pham-Remmele, Marsha A. Rummel

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
8/7/2007	1	COMMON COUNCIL	Adopt	Pass
8/2/2007	1	COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	
7/17/2007	1	COMMON COUNCIL	Refer	
7/11/2007	1	Finance Dept/Approval Group	Approved Fiscal Note By The Comptroller's Office	
7/11/2007	1	CDBG Office	Referred for Introduction	
7/10/2007	1	CDBG Office	Fiscal Note Required / Approval	

### Fiscal Note

\$1,300,000 in Federal CDBG program income will be available within the Acquisition/Rehab Fund to cover the costs for the development project.

### Title

Authorizing the provision of CDBG funds to assist the Goodman Atwood Community Center to develop a gymnasium to serve Atwood and Worthington area residents in ways that address City Community and Neighborhood Development Objectives.

### Body

AGENCY:

The Irwin A. and Robert D. Goodman Community Center Inc. (a.k.a. the Atwood Community Center) is a local community-based agency established to serve residents of the Atwood and Worthington neighborhoods through the provision of programming and facilities for sponsor groups to provide a wide range of programming for all residents. These programs range from day care for young children, to a food pantry for families, to gardens, to after-school programs, to a range of self-help classes. The Center currently serves about 14,000 unduplicated individuals each year. The Waubesa LLC is a newly formed Limited Liability Corporation established by the Goodman/Atwood Center for the purposes of developing a new community center facility.

PROJECT:

The CD program has provided loans and grants to the Atwood Center over the years as it has grown, rehabbed, or acquired three separate buildings---the basic center building at 2425 Atwood Avenue, a youth building at 2717 Atwood Avenue, and a teen center at 827 East Washington Avenue. The original value of these loans totaled over \$587,000. Since the City provided the assistance in the form of deferred payment loans, with repayment based on the appreciating values of the buildings, the Atwood Center would owe the City approximately \$1.3 million at the time of their sale or change of use.

The Atwood Center has been conducting a capital campaign to raise funds to acquire and redevelop the former Kupfer Ironworks into a large community center, to consolidate its operations and as part of the transfer, to sell its existing three buildings. The Ironworks building is currently owned by a limited liability corporation, which will sell the adjacent vacant land to the Waubesa LLC for development of a new gymnasium and multi-purpose facility. This proposed project is to provide Waubesa LLC Atwood Center with the City's share of the amount anticipated from the sale of the three buildings, and provide the funds to help construct the gymnasium in a timely way. The CD Office will provide these funds partially from repaid funds and the remainder in new funds until the sale of the three buildings is completed and Atwood can repay the full loan.

**ACTION:**

WHEREAS, the CDBG program, as amended, and its implementing regulations located at 24 CFR Part 500, permit the City of Madison to help community agencies in the provision of neighborhood-focused services;

WHEREAS, CD staff and the CDBG Commission have reviewed this proposal and finds that it furthers the goals expressed in the Five-Year Community and Neighborhood Development Plan;

NOW, THEREFORE BE IT RESOLVED, that the Common Council approve the provision of funds for the following project, and authorize the Mayor and the City Clerk to enter into an agreement with: Irwin A. and Robert D. Goodman Community Center or a related affiliate like the Waubesa LLC for up to \$1,300,000 in CDBG funds toward the construction and related development costs of a new gymnasium and multi-use facility;

BE IT FURTHER RESOLVED that the Atwood Center repay the City at least half of the anticipated City share from the sale of the three buildings prior to the issuance of the new loan, with the remainder due and payable by the earliest of either the completion of the sale of the three buildings or August 1, 2008.

BE IT FURTHER RESOLVED that the assistance be offered on terms adopted in the 2007-2008 Framework for Community and Neighborhood Development, such that the assistance to the organization be offered in the form of a deferred payment loan payable upon change of use or sale, with repayment equal to the greater of the amount of either the CDBG funds invested in the property or the percent of appraised value that the funds represent in the value of the property.

NOTE: The Proposal describing the above project and the CD staff and CDBG Commission recommendation are available on file in the Council Office and in the CD Office.