Legislation Details (With Text)

File #:	35611	**Version:**	1	**Name:**	Small Cap TIF Loan - Einsman, 513 E Gorham St.
Type:	Resolution			**Status:**	Passed
File created:	9/22/2014			**In control:**	BOARD OF ESTIMATES (ended 4/2017)
On agenda:	10/21/2014			**Final action:**	10/21/2014
Enactment date:	10/22/2014			**Enactment #:**	RES-14-00756

Title: Authorizing the Mayor and City Clerk to execute a new loan agreement to fund an additional $20,000 Mansion Hill-James Madison Park Neighborhood Small Cap TIF Loan to Alexander Einsman to renovate the property located at 513 East Gorham Street for a total loan of $90,000 and amending the loan terms to be consistent with the new Small Cap TIF loan criteria.

Sponsors: Ledell Zellers

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
10/21/2014	1	COMMON COUNCIL	Adopt	Pass
10/13/2014	1	BOARD OF ESTIMATES (ended 4/2017)	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
10/7/2014	1	COMMON COUNCIL	Referred	
9/22/2014	1	Economic Development Division	Referred for Introduction	

Fiscal Note

$332,000 is authorized in the 2014 DPCED Adopted Capital budget for the TID 32 Small Cap Loan Program, Project No. 25, TID 32-(Upper State Street) Account No. 823201.

Title

Authorizing the Mayor and City Clerk to execute a new loan agreement to fund an additional $20,000 Mansion Hill-James Madison Park Neighborhood Small Cap TIF Loan to Alexander Einsman to renovate the property located at 513 East Gorham Street for a total loan of $90,000 and amending the loan terms to be consistent with the new Small Cap TIF loan criteria.

Body

WHEREAS on July 1, 2003 the Common Council of the City of Madison adopted Resolution No. 60,678, ID No. 33,974 creating a boundary and Project Plan for Tax Incremental District (TID) #32 - Upper State Street ("District") as set forth by Wis. Stats. 66.1105 ("TIF Law"); and

WHEREAS on July 18, 2006 the Common Council of the City of Madison adopted Resolution No. 06-00603, ID No. 03683 adopting a first amendment to the boundary and Project Plan for the District as set forth by TIF Law; and

WHEREAS on September 21, 2010, the Common Council of the City of Madison adopted Resolution No. 10-00758, ID No. 18993 adopting a second amendment to the boundary and Project Plan for the District as set forth by TIF Law; and

WHEREAS on July 15, 2014 the Common Council approved Resolution No. 14-00539, ID No. 34561 for a $70,000 Small Cap TIF Loan #32 to Alexander Einsman (“Borrower”) to assist in the purchase and renovation of 513 East Gorham Street (“Property”); and

WHEREAS on July 31, 2014 the Borrower purchased and is renovating the Property ("Project") and will be the owner-occupant(s); and

WHEREAS on August 5, 2014 the Common Council adopted Resolution No. 14-00576, ID No. 34644 which amended both the TIF #32 Small Cap TIF Loan Program and the TIF #43 (Park-Drake) Small Cap TIF Loan Program increasing the loan amounts and changing some of the qualifying loan criteria and terms and conditions; and

WHEREAS due to real estate closing deadline, the Borrower closed on the loan in July 2014; and

WHEREAS the Borrower has requested that a new loan be executed to add an additional $20,000 to the Borrower's original loan due to a change in the Small Cap TIF Loan Program amounts and to amend the terms to the new Small Cap TIF Loan criteria; and

WHEREAS the Borrower will use the additional loan funds for rehabilitation and loan closing costs; and

WHEREAS the original $70,000 loan and this additional $20,000 loan, for a total loan of $90,000, meets the revised criteria to the Small Cap TIF Loan Program and the terms and conditions adopted August 5, 2014 Resolution No. 14-00576, ID No. 34644.

NOW, THEREFORE, BE IT RESOLVED that the Common Council hereby authorizes the execution of a new loan with Alexander Einsman ("Borrower"), as provided under the revised Small Cap TIF Loan Program criteria, for the rehabilitation of a property ("Project") located at 513 East Gorham Street, Madison, WI ("Property") subject to the following terms and conditions:

1. The Project. Borrower agrees to renovate the Property.

2. Form of Assistance. Additional TIF assistance shall be provided in the form of a ten-year deferred zero interest (0%) forgivable loan ("TIF Loan") at closing from the City to the Borrower, in the amount of $20,000 for additional rehabilitation and closing costs. The Borrower shall execute a note, mortgage, Loan Agreement, land use restriction, and any other necessary documents in favor of the City for $90,000.

3. Property Insurance. Prior to closing, the Borrower shall provide to the City a property insurance policy of the proper type and amount of coverage to protect the City's interest. The policy shall name the City of Madison as an additional insured mortgagee.

4. Title Insurance. At closing, the Borrower must provide a commitment for a title insurance policy of the proper type and amount of coverage to the City to protect the City's interest. The City shall receive a lender's policy.

5. Affirmative Action [MGO 39.02(9)]. The Borrower and its contractors/subcontractors must comply with all applicable provisions of the Madison General Ordinance (MGO) 39.02(9), concerning contract compliance requirements. Prior to commencing construction, the Borrower shall contact the City's Civil Rights Division to assure that the Borrower is in compliance with the aforementioned requirements. The Borrower shall assist and actively cooperate with the Civil Rights Division in obtaining the compliance of contractors and subcontractors with such applicable provisions of the MGO. The Borrower shall allow maximum feasible opportunity to minority/disadvantaged women business enterprises to compete for any contracts.

6. Accessibility (MGO 39.05). The Borrower agrees to meet applicable accessibility accommodations for the Project as required by MGO 39.05.

7. Equal Opportunity and Fair Housing. The Borrower shall comply with all applicable local, state and federal

provisions concerning Equal Opportunity and Fair Housing.

8. Project Completion. Borrower shall guarantee that the construction of the Project will be completed by July 31, 2015.

BE IT STILL FURTHER RESOLVED that the Mayor and City Clerk are hereby authorized to execute any amendments, loan agreements and other documents as may be necessary to effectuate this transaction, all of which are subject to the approval of the City Attorney.

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