Legislation Details (With Text)

File #:	67073	**Version:** 1	**Name:**	Aster 21 SBER Loan	
Type:	Resolution		**Status:**	Passed	
File created:	8/23/2021		**In control:**	Economic Development Division	
On agenda:	9/21/2021		**Final action:**	9/21/2021	
Enactment date:	9/24/2021		**Enactment #:**	RES-21-00648	

Title: Providing Aster 21 LLC a $112,500 loan to purchase a commercial property at 4245 West Beltline Highway through the Commercial Ownership Assistance program using the Small Business Equity and Recovery Program (SBER) funds and authorizing the Mayor and City Clerk to sign an agreement with Aster 21 LLC for that purpose. (10th AD)

Sponsors: Syed Abbas, Yannette Figueroa Cole, Juliana R. Bennett

Indexes:

Code sections:

Attachments: 1. COA program summary Final.pdf, 2. COA-4245 West Beltline-Aster 21 LLC -WWBIC Concurrence Memo.pdf

Date	Ver.	Action By	Action	Result
9/21/2021	1	COMMON COUNCIL	Adopt	Pass
9/13/2021	1	FINANCE COMMITTEE	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
8/31/2021	1	COMMON COUNCIL	Referred	
8/23/2021	1	Economic Development Division	Referred for Introduction	

Fiscal Note

The proposed resolution authorizes a $112,500 loan to Aster 21, LLC for the purchase of property located at 4245 W. Beltline Highway. The proposed loan will be funded by the Economic Development Division's Small Business Equity and Recovery (SBER) capital program. The SBER capital program has approximately $994,000 of remaining budget authority. No additional City appropriation is required.

Title

Providing Aster 21 LLC a $112,500 loan to purchase a commercial property at 4245 West Beltline Highway through the Commercial Ownership Assistance program using the Small Business Equity and Recovery Program (SBER) funds and authorizing the Mayor and City Clerk to sign an agreement with Aster 21 LLC for that purpose. (10th AD)

Body

WHEREAS, Data shows that while Communities of Color represent approximately 27% of the City of Madison's population, business ownership rates for People of Color are much lower (between 3-9% using varying metrics) within the City; and

WHEREAS, business and property ownership is a vital pathway to economic empowerment. For Madison to make meaningful progress in addressing racial disparities the City must go beyond programs focused on addressing basic needs, and direct more resources and strategies toward building wealth and economic empowerment among communities that are not sharing in the City's prosperity; and

WHEREAS, Aster 21, LLC is an African American owned business that will operate two of their businesses out of this location. One being a website development and digital marketing business the other a cleaning business with both being in operation for over ten years; and

WHEREAS, Aster 21, LLC would utilize Commercial Ownership Assistance funds to assist with the acquisition of the property located at 4245 W Beltline Highway, hereby meeting the requirements of the Commercial Ownership Assistance (COA)
Program; and

WHEREAS, the COA program guidelines stipulate these funds can be no more than 25% of the total project package and all loan repayments are deferred until sale, cash-out refinance for other than property improvements, and the property is transferred or ceases to be a location for a business owned by the borrower. If any of the above happen within the first 7 years repayment of the full amount is required. If any of the above happen between years 7-15 repayment of one-half the borrowed amount will be required. If the applicant still owns the property after year 15, the original loan amount will be forgiven. There will be no interest rate; and

WHEREAS, the Director of the Department of Planning, Community, and Economic Development recommends an investment of $112,500 of Commercial Ownership Assistance Funds to this project.

NOW, THEREFORE BE IT RESOLVED, that the Common Council authorizes a $112,500 Commercial Ownership Assistance Program Loan to Aster 21, LLC for the purchase of the property at 4245 W. Beltline Highway; 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.