



Legislation Text

File #: 62409, Version: 2

Fiscal Note

No additional City appropriation is required with approval of the proposed ordinance. Adopted RES-20-00613 (File 61605) amended the 2020 Adopted Capital Budget to appropriate \$750,000 to the Small Business Equity and Recovery capital program. The 2021 Executive Capital Budget includes an additional \$2.5 million for the Small Business Equity and Recovery capital program.

Title

SUBSTITUTE - Creating Section 4.33 of the Madison General Ordinances to establish a Small Business Equity and Recovery COVID Grant Program Ordinance.

Body

DRAFTER'S ANALYSIS: As the City of Madison, residents, business owners and development community continue to adjust to the challenges the COVID-19 pandemic has brought, we recognize the need to invest in supporting our small business community. Many small businesses face the real prospect of permanently closing. ~~We recognize the historic and current inequities in funding and support for small businesses owned by people of color.~~ The Small Business Equity and Recovery COVID Grant Program aims to focus on businesses owned by people of color.

The Common Council of the City of Madison do hereby ordain as follows:

1. Section 4.33 entitled "Small Business Equity and Recovery COVID Grant Program" of Chapter 4 entitled "Finance" of the Madison General Ordinances is created to read as follows:

"4.33 SMALL BUSINESS EQUITY AND RECOVERY COVID GRANT PROGRAM.

- (1) **Statement of Purpose: The City of Madison recognizes the historic and current inequities in funding and support for small businesses owned by people of color and other underrepresented groups. During the COVID-19 pandemic, the federal government provided funds to small businesses through the Paycheck Protection Program, but many banks administering the funds required prior credit relationships with the banks, which many businesses owned by people of color did not have. The Common Council finds that it is a legitimate interest of the government to assist those impacted by systemic discrimination in borrowing to protect their businesses and employees.**

(1 2) Definitions.

- (a) Historically Underrepresented: persons that belong to populations facing historic barriers to entrepreneurship, including low income populations, people of color, immigrants, women, veterans and LGBTQ+ individuals.
- (b) Independent Business: for profit businesses at least 50% owned by individuals residing in Dane County, or businesses not owned by individuals residing in Dane County but meeting the following requirements:
1. location has more than 50% of key managers living in Dane County;
 2. location is registered in the State of Wisconsin; and
 3. location managers independently control purchasing decisions, make independent decisions regarding the name and look of the business, including

marketing, advertising, logo design and branding decisions. Location managers make independent decisions regarding business procedures, practices and policies.

(2 3) Program Rules.

(a) Eligible Applicants:

1. Applicants must be an Independent Business located in the City of Madison with annual revenue below \$750,000.
2. Applicant must be owned by a person meeting the definition of Historically Underrepresented. Priority will be given to Applicants owned by people of color.
3. Applicants must be current on all local, state and federal taxes and fees.

(b) Eligible Expenses: Eligible expenses are limited to the following categories:

1. COVID-19 Safety Expenses related to the following:
 - a. Personal Protective Equipment (PPE)
 - b. Minor physical space modifications
 - c. Other materials/equipment
2. Revenue Loss - Revenue losses will be shown by providing sales data from 2019 and sales data from 2020 or later within documents sufficient in the opinion of the City.

(3 4) Grant Terms.

- (a) Grants are limited to \$5,000 per eligible expense category. An applicant can apply for each category for a total of \$10,000.
- (b) Recipient shall provide documentation of paid invoices, receipts, or photographs demonstrating COVID-19 Safety Expenses; and/or, sales information for Revenue Loss for reimbursement. In the event an Applicant seeks funding in advance of the expense, the City may approve the grant upon Applicant providing a quote for work that is sufficiently detailed, in the discretion of the City, to ensure accurate costs for the work.
- (c) Recipient shall have not already received reimbursement for the same COVID-19 Safety Expenses or Revenue Loss from another government program, as demonstrated to the satisfaction of the City.
- (d) Recipient shall demonstrate, to the satisfaction of the City, that the business location has the potential to remain open for 6-12 months following award of Grant.

(4 5) Administration.

- (a) The program will be managed by the Department of Planning, Community, and Economic Development (DPCED).
- (b) DPCED staff will prepare an application and process for requesting funds through the program.
- (c) Authorization is granted to the DPCED Director, or their assigns, to approve each grant request without further Council action.
- (d) Each grant will be processed as a Purchase Order billed against this program account, and not a contract. Therefore, standard City contract requirements will not apply to these grant recipients. Any requirements for Purchase Orders will apply.
- (e) The DPCED Director is allowed to make modifications to the program without further Council action as long as the use of the funds are generally consistent with the purpose of the program in a form approved by the City Attorney."