



Legislation Text

File #: 67415, **Version:** 1

Fiscal Note

The proposed \$250,000 loan will be funded by the Small Business Equity and Recovery capital program in the Economic Development Division's capital budget, which currently has \$1.5 million of available budget authority. No additional City appropriation is required.

Title

Providing Patterson and Richardson Properties, LLC a \$250,000 loan to purchase a commercial property at 550 Grand Canyon Drive 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 Patterson and Richardson Properties, LLC for that purpose. (19th 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, Patterson and Richardson Properties, LLC are two business owners, a barbershop JP Hair Design 100% African American owned and KnitCircus Yarns 100% Woman and LGBTQ+ owned that are presently located within the property. In purchasing this property, they will ensure ownership that except and celebrate the diversity of tenants. The businesses have been in operation for twenty-five and seven respectively; and

WHEREAS, Patterson and Richardson Properties, LLC would utilize Commercial Ownership Assistance funds to assist with the acquisition of the property located at 550 Grand Canyon Drive, 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 \$250,000 of Commercial Ownership Assistance Funds to this project.

NOW, THEREFORE BE IT RESOLVED, that the Common Council authorizes a \$250,000 Commercial Ownership Assistance Program Loan to Patterson and Richardson Properties, LLC for the purchase of the property at 550 Grand Canyon Drive; 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.