



Legislation Text

File #: 75569, **Version:** 1

Fiscal Note

No additional City appropriation is required. Funds were authorized in 2021 by the Common Council through RES-21-00487 (File ID 65935).

Title

Providing Smart Cleaning Solutions or its assigns a \$250,000 loan to purchase a commercial property at 2530 Agriculture Drive through the Commercial Ownership Assistance program under the Small Business Equity and Recovery Program (SBER) using the American Rescue Plan Act of 2021 (ARPA) aid Local Fiscal Recovery funds and authorizing the Mayor and City Clerk to sign an agreement with Smart Cleaning Solutions or its assigns for that purpose. (16th A.D.)

Body

WHEREAS, business and property ownership is a vital pathway to economic empowerment. For Madison to make meaningful progress in addressing racial and gender 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, Smart Cleaning Solutions is an African American owned business that will operate its businesses out of this location. The business offers high quality residential and commercial cleaning solutions that are sensitive to the environment with being in operation for over seven years; and

WHEREAS, Smart Cleaning Solutions would utilize Commercial Ownership Assistance funds to assist with the acquisition of the property located at 2530 Agriculture 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 Smart Cleaning Solutions and/or its assigns for the purchase of the property at 2530 Agriculture 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.