



Legislation Text

File #: 76486, **Version:** 1

Fiscal Note

No additional City appropriation is required. Funds were authorized in 2020 by the Common Council through RES-20-00619 (File ID 62620).

Title

Authorizing a loan to Smart Cleaning Solutions or its assigns in the amount of \$250,000 to purchase a commercial property at 2530 Agriculture Drive through the TID 39 Small Cap TIF loan program using TID #39 incremental revenue as authorized in an amendment to the TID #39 Project Plan (RES 20-00619 adopted by the Common Council on September 1, 2020). (AD 16)

Body

WHEREAS, the City of Madison has created the boundary and Project Plan for Tax Incremental District (TID) #39 on September 2, 2008 (RES-08-0817 File ID Number 11506; and

WHEREAS, the intent and purpose of the Project Plan, among other things, is to attract and retain business and employment in the southeast industrial area generally bounded by Stoughton Road, US Hwy 12 & 18, Interstate Hwy 90 and the Union Pacific railroad right of way; and

WHEREAS, business and property ownership is a vital pathway to economic empowerment and 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 operates its businesses out of this location and the business offers residential and commercial cleaning solutions that are sensitive to the environment and has been in operation for over seven years; and

WHEREAS, Smart Cleaning Solutions would utilize Small Cap TIF program funds to assist with the acquisition of the property located at 2530 Agriculture Drive, hereby meeting the requirements of the Small Cap TIF program; and

WHEREAS, the program guidelines stipulate through these funds borrowers may receive zero-percent (0%) loans, not to exceed \$250,000, for the purpose of purchasing real estate, financing real estate improvements or not to exceed \$150,000 for purchasing capital machinery and equipment and for each anniversary year of the Common Council authorization of the Loan, 20% of the original principle of the Loan is forgiven until the entire balance is forgiven at the end of five (5) years; and

WHEREAS, the City of Madison has a service contract with Madison Development Corporation (MDC) to market the Program to eligible small businesses and MDC shall qualify all Borrowers for eligibility and credit-worthiness; and

WHEREAS, the MDC Loan Committee has recommended an investment of \$250,000 of TID 39 Small Cap TIF loan program funds using TID #39 incremental revenue to this project.

NOW, THEREFORE BE IT RESOLVED, that the Common Council authorizes a \$250,000 TID 39 Small Cap TIF loan program using TID #39 incremental revenue 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.