



Legislation Text

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Fiscal Note

The proposed resolution authorizes a loan to Dane County Family Acupuncture for the purchase of a commercial property. The loan will be funded through an allocation of American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF) that was previously approved for the Small Business Equity and Recovery Program.

Title

Providing Dane County Family Acupuncture or its assigns a \$250,000 loan to purchase a commercial property at 505 Cottage Grove Road 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 Dane County Family Acupuncture or its assigns for that purpose. (15th AD)

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, Dane County Family Acupuncture a women owned business that will operate its business out of this location. The business offers premier, full-service acupuncture and traditional Chinese medicine and has been in operation for over seven years; and

WHEREAS, Dane County Family Acupuncture would utilize Commercial Ownership Assistance funds to assist with the acquisition of the property located at 505 Cottage Grove Road, 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 Dane County Family Acupuncture and/or its assigns for the purchase of the property at 505 Cottage Grove Road; 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.