



Legislation Text

File #: 81366, **Version:** 1

Fiscal Note

The proposed resolution authorizes a Commercial Ownership Assistance Program no-interest loan in the amount of \$113,500 to Fringe Salon Spa to purchase a commercial property at 1423 S Park St. The TID 51 Project Plan includes \$1.5 million for Commercial Ownership Assistance Program loans. The Common Council approved the TID 51 Project Plan in 2023 (RES-23-00208, Leg file 75809). No additional City appropriation required.

Title

Providing Fringe Salon Spa or its assigns a \$113,750 loan to purchase a commercial property at 1423 South Park Street through the Commercial Ownership Assistance program funded by the TID 51 Small Business Development programs using TID #51 incremental revenue as authorized in the TID #51 Project Plan (RES-23-00208) adopted by the Common Council on March 7, 2023). (District 14)

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, Fringe Salon Spa an African American women owned business that will operate its business out of this location. The goal of the businesses is to enrich our community and the world with healthy motivation about beauty and self-worth for over ten years; and

WHEREAS, Fringe Salon Spa would utilize Commercial Ownership Assistance funds to assist with the acquisition of the property located at 1423 South Park Street, 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 \$113,750 of Commercial Ownership Assistance Funds to this project.

NOW, THEREFORE BE IT RESOLVED, that the Common Council authorizes a \$113,750 Commercial Ownership Assistance Program Loan to Fringe Salon Spa and/or its assigns for the purchase of the property at 1423 South Park Street; 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.