

**LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS**

**COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE**

**MAY 18, 2009**

**Item 7, File #081642**

File Number 081642 is a resolution directing the City Comptroller to transfer \$100,000 from the Development Fund to the City-Wide Façade Loan Program Project Account.

**Background**

1. The Development Fund is a Department of City Development-administered capital account that provides financial assistance for development projects that do not qualify for tax incremental district designation. The Fund has been used to support façade-improvement grants and loans, brownfield cleanups, business improvement district activities, new home incentives and neighborhood street improvements.
2. The 2009 Adopted Budgets provides \$1.8 million for the Development Fund, including \$375,000 in cash-levy funding and \$1,425,000 in new borrowing.
3. The Department of City Development has operated a City-Wide Façade Grant Program for more than 20 years. This program provides grants for property and business owners to make improvements to storefronts and principal building facades in both neighborhood and downtown commercial areas.
4. On February 10, 2004, the Common Council adopted File Number 031357, a resolution establishing a City-Wide Façade Loan Program and Program Guidelines. This program, which provides low-interest loans to commercial property owners, is intended to complement the Grant Program.

**Discussion**

1. This resolution directs the City Comptroller to transfer \$100,000 from the Development Fund account to the City-Wide Façade Loan Program Project Account.
2. The last transfer of funds from the Development Fund to the City-Wide Façade Loan Program -- \$175,000 -- occurred in conjunction with adoption of Common Council File 071603 on April 9, 2008.
3. In 2008, DCD made 3 loans totaling \$120,000 from the City-Wide Façade Loan Program. These loans supported façade improvements in the 200 block of East Wisconsin Avenue and at The Brewery project near 10<sup>th</sup> and Juneau. The Department of City Development anticipates awarding 3 or 4 loans from this Program again in 2009. These loans, which will average about \$25,000, will support further redevelopment in The Brewery and in the retail portion of the central business district.

**Fiscal Impact**

The current unencumbered balance in DCD's Development Fund capital account is \$2,508,638. Adoption of this resolution will reduce the balance in this account by \$100,000.

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