

LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS

COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE

MAY 18, 2009

Item 8, File #081643

File Number 081643 is a resolution directing the City Comptroller to transfer \$500,000 from the Development Fund to the Citywide Façade Grant 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. The City-Wide Façade Loan Program, created by Common Council File Number 031357, adopted February 10, 2004, provides additional funding for DCD façade improvement program.

Discussion

1. This resolution directs the City Comptroller to transfer \$500,000 from the Development Fund account to the Citywide Façade Grant Program Project Account.
2. The last transfer of funds from the Development Fund to the Citywide Façade Grant Program -- \$650,000 -- occurred in conjunction with adoption of Common Council File 071606 on April 9, 2008.
3. Over the past year, the Citywide Façade Grant Program awarded grants for 30 façade improvement projects totaling just under \$300,000. Grants ranged in size from \$895 to \$50,000, with the average being \$9,963.
4. The Department of City Development has submitted to the file a list of 17 pending 2009 façade-improvement projects to be funded by this program. These projects are located in commercial districts throughout the city, including the SOHI, Burleigh Street, National Avenue and Lincoln Avenue business areas.

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 \$500,000.

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May 15, 2009

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