MEMORANDUM

TO: Members of the Common Council
FROM: Karin Tepley, Connect Communities Representative
DATE: 9/29/2026
RE: **Small Business Development Grant (SBDG): Connect Communities as lead, City as fiscal support**

The Ask

Connect Communities is applying for $250,000 SBDG from WEDC. Every grant dollar goes straight to Richland Center small businesses. We are asking the City to provide minimal accounting support for the grant.

Why Connect Communities Should Carry This Grant

- **It fits the mission.** Connect Communities is the state program Richland Center was accepted into, built around downtown revitalization in partnership with WEDC. The SBDG is a downtown revitalization tool.
- **It fills a real gap.** The City has no revolving loan fund, façade program, or other business assistance program in place. The last downtown façade grant was 7–8 years ago, and economic development is a half-time effort shared with Public Works.
- **The need is documented.** Richland County is a WEDC-designated Distressed County for FY2026. City median household income is $51,932 versus $66,420 countywide, and the poverty rate is about 15.9%.
- **It brings free expertise.** Required business advising comes from the Wisconsin SBDC, and Connect Communities adds its own technical assistance. Neither costs the grant or the City.
- **It builds lasting local capacity.** We want the City and Connect Communities, not a different outside group each round, to know how to win and manage state grants. That expertise stays in Richland Center and helps with the next opportunity.
- **It has accountable governance.** A Connect Communities review committee approves awards, with clear priorities: downtown impact, locally owned businesses, and those with limited access to public grants.

Why the City Should Handle the Accounting

- **The systems already exist.** The City is administering a $2.5 million HUD grant and a prior WEDC CDI grant.
- **Public dollars deserve public-grade books.** WEDC requires an independent Schedule of Expenditures audit. Clean City accounting makes that audit faster, cost effective, and easier to pass.
- **The return is strong for a small lift.** If awarded the up to $250,000 in direct assistance goes to local storefronts, equipment, startups, and facilities. Businesses add their own match, and stronger downtown properties support the long-term tax base.
- **Minimal Transactions.** Connect Communities will provide: Writing the grant, marketing/outreach and application to businesses once awarded, panel to review and award funds, provide City with documents for the draw, keep records and submit SBDG reports (2).

What “Minimal” for the City Means

- One dedicated fund or account code for SBDG receipts and disbursements
- Preparing draw-down or reimbursement requests
- Cut disbursements for the individual businesses
- Keeping records ready for the required audit

Open Costs and Safeguards

In the interest of full transparency:

- **No admin dollars.** Because all funds go to businesses, the grant does not reimburse City staff time.
- **Audit cost.** The required audit is an unfunded compliance cost.
- **Risk protection.** Businesses will complete SBDC advising, awards are documented and committee-approved, and a written agreement between the City and Connect Communities will define roles, records, and responsibilities.

Recommended Council Action

Authorize the City Clerk/Treasurer to provide fiscal and accounting support for the SBDG grant, if awarded, under a written agreement with Connect Communities that defines scope and reporting. Application deadline: October 2, 2026. WEDC decisions are expected around February 2027.