

The City of Pinconning
Downtown Development Authority's
BUSINESS IMPROVEMENT PROGRAM
(BIP)
PROGRAM

Program Background

The City of Pinconning Downtown Development Authority (hereinafter referred to as the "DDA") and area banks have established its Business Improvement Program (BIP) to encourage improvements to existing buildings and/or the purchase of equipment used in the business for those properties which are within the downtown DDA district. These improvements should preserve the private investment in the area, improve the viability of businesses within the DDA District and improve the overall community's appearance. The BIP encourages the property owner/lessee/tenant either independent of or with a loan through the participant's own bank or through the DDA by a possible grant or low-interest loan. Improvements are intended to include, but not be limited to improving existing buildings, landscaping, curb appeal, signage, roofs, windows, entrances and updating equipment used in the particular business. The program is to be used for the improvement of existing facilities and not for new buildings.

Program Eligibility Requirements

- a. Properties must be located within the legal boundary of Pinconning's downtown district and are engaged in retail, commercial, entertainment or office services (no residential improvements) shall be deemed eligible for a grant and/or preferred loan program through its own bank. Any question concerning the eligibility of a specific property may be answered by contacting the DDA or a business's own banking institution.
- b. All property taxes and installments of special assessments must be paid to date for any property that would be under consideration for a grant. Additionally, all city utility accounts for the property must be current.
- c. Grant funding may be requested for any aspect of the business (building, landscaping, signage, including any aspect of its interior or exterior) that fronts on a public right-of-way (street, alley or public parking lot). More consideration for grant funding will be given for work visible from a public street.
- d. Buildings that have improvements proposed under a BIP grant application must have basic structural integrity and an intact roof such

- that the applicant is able to obtain a basic building permit for the proposed work thereby protecting the DDA's possible investment in it.
- e. Applicant must have insurance coverage on the property to receive the BIP grant and must provide a certificate of that coverage to the DDA with the application. The DDA will be a named insured on all insurance policies.

Ineligible Uses of BIP Funds

- a. Payment on existing indebtedness;
- b. Property acquisition;
- c. Site plans, building permits or sign permit fees;
- d. Property appraisal costs, legal fees or loan origination fees; and/or
- e. Labor costs paid to the owner/applicant or their relatives unless they are a licensed contractor and specific approval is granted as part of the application review process.

Awards

The DDA may award grants in amounts ranging from a minimum grant award of \$1,500.00 up to a maximum award of one-half (½) of the cost for the improvement or restoration project to a maximum of \$5,000.00. Applicants for a grant must provide a matching amount to their grant request based on a dollar for dollar basis. An applicant's proposed improvement project total can exceed \$10,000.00; however the DDA's participation will still be limited to a maximum amount of up to \$5,000.00. Grant amounts may be affected by the number of applicants or approved projects. In addition to or in lieu of a grant, the DDA may loan up to 75% of the cost of a project, but no loan will exceed \$5,000.00. Typical terms shall provide for an interest rate of 3% above prime and a 7-year amortization period. The entire outstanding balance of the loan will become due and owing upon a transfer of ownership during the time period a balance is owing to the DDA.

Work Completion Schedule/Extensions

All projects awarded funding must have the proposed work completed

within 1 year, beginning with a written notification of the award, unless a specific written extension has been requested by the applicant and approved by the DDA due to extenuating circumstances that were out of their control such as inclement weather, contractor scheduling, etc., and will be determined on a case-by-case basis. The failure to have the proposed work completed within the allotted time period will make the entire outstanding balance become due and owing to the DDA.

Application Process

Applications will be accepted during each calendar year when the DDA determines that funding for projects is available. Property owners interested in applying for a grant, loan or combined grant/loan under the DDA's BIP Program must submit their application to the Building Department before any work has been done on the project. Persons applying for a grant, loan or a combination grant/loan can be either a property owner or a tenant, but the tenant must have the property owner's written permission to make the desired improvements to the building. The Building Department will forward the application to the DDA BIP Program Committee for review. An application may be submitted annually should it not be funded by a prior approved loan.

Submittal Requirements

The DDA's BIP Program Committee will review all applications submitted under the program and make a final determination of approval or denial of a grant, loan or combined award. The following information must be submitted with the application:

1. Grant/loan application form, signed and executed.
2. Detailed description of the work proposed and justification as to why the request meets the DDA's desired intent of preserving or enhancing the building or property in the downtown district.
3. Detailed cost estimate from a minimum of two (2) qualified contractors for the work proposed and the name, address and phone number of the person responsible for the preparation of the estimate.

4. Any architectural plans and/or sketches and specifications needed to understand the scope of the work proposed.
5. Color schemes and materials proposed for the exterior improvements, including painting work, brick replacement work, signage, windows, awnings, etc.
6. A description of the long term maintenance plan proposed by the grantee for the building's exterior once the grant funded improvements are completed.
7. List of the Federal, State and Local permits required for the proposed work.
8. For work proposed by a building tenant, property owner's written permission.
9. Copy of certificate of property insurance shall be provided.
10. A project time line or schedule shall be provided detailing the applicant's expected progress in completing the requested improvements within twelve (12) months of commencement of work.

Review Process/Evaluation of Applications

The DDA's BIP Committee/Board or DDA Board (hereafter referred to as the "BIP Committee") will review all applications and inform all applicants if their application has been approved or denied. An applicant may obtain only a single loan, grant or combination of same in one calendar year for a single location, but may submit more than one application for a single location or for multiple locations. All applications will be based upon the following criteria:
The visual improvement or impact of the project.

1. The amount of owner/tenant investment.
2. The life expectancy of the improvement.
3. The visual prominence of the building and its location within the downtown district.
4. The long term maintenance plan for the building's exterior once the proposed improvements are completed.
5. The completeness of the application package presented, and meets

eligibility criteria.

6. The applicant took into consideration utilizing local contractors/materials.

Rights Reserved

The DDA BIP Committee reserves the right to reject any and/or all applications submitted for consideration under this program. The DDA reserves the right to modify or amend the program guidelines at any time deemed desirable by the DDA. The DDA reserves the right to discontinue funding for this program at any time.

Project Amendments

Any design changes proposed by the applicant after the award of a monetary amount under this program (if no change in the amount is proposed), must be submitted to the DDA's BIP Committee and approved prior to any work being completed, to remain eligible for the original funding. Failure to obtain approval for any changes undertaken for an approved project will result in the disqualification of the applicant from the program and the loss of the entire funding.

For design changes requested after work has started which would require additional funds (only for original project awards less than the \$5,000.00 maximum amount), applicants must submit all necessary information (review applicable requirements of original grant) for review by the DDA's BIP Committee. A determination of approval for an amended grant amount will be made within 15 days of receipt of all required submittal data.

Project Inspections

Upon receiving a funding award under this program, the applicant agrees to provide access to their building for the DDA's representative for purposes of inspecting the work being completed by the applicant and/or their contractor. It is not the intent of the DDA to become construction inspectors during the applicant's project and as such, they will not be conferring with or advising the applicant's contractor of deficiencies during the course of the

work. If, during any visit to the site, an issue of non-compliance is noted by the DDA's representative, the applicant will be immediately advised of the problem in writing. The applicant is required to respond to the DDA within 24 hours to provide an explanation of their review of the problem and what is being done to correct it.

Disbursement of Grant Funds

Applicants, shall submit one request for full payment of the funds once all project improvements have been completed and the DDA has conducted a final inspection verifying their compliance with the original grant requirements.

The applicant must contact the DDA when ready to submit a request for payment of the funding. The BIP Committee will arrange to have the completed work inspected for compliance with the project description and drawings submitted by the applicant with the program application. If the work is found to be in compliance, the DDA shall provide payment of the funding within 30 business days of the date of receipt of the request for payment.

If any of the applicant's completed work is found to be in non-compliance with the program requirements during any site visit by DDA representatives, the applicant will be sent a letter from the DDA within 3 business days describing the item(s) of non-compliance. The letter will require the applicant to provide the DDA with a written plan of action describing what actions will be taken to bring the project into compliance with the applicant's original grant proposal. Final payment of funding will be withheld until all areas of non-compliance are brought into compliance, inspected, and approved by the DDA.