

# City of Fairview

## Urban Renewal Agency Development Grant Program

### 1.1: Purpose of the Program

The Fairview Urban Renewal Agency is sponsoring a Development Grant Program (Program) to remove barriers that may discourage industrial, commercial, and residential mixed-use development in the urban renewal area and to encourage workforce and economic development. The purpose of the Program is to facilitate expansion and development of businesses and job growth in the City of Fairview to create a more vibrant economic landscape in the urban renewal area and to address potential environmental issues. To realize those goals, the Program may address the following issues as well as other issues designated by the Agency:

- Demolition of structures or environmental assessment of buildings and/or sites.
- Consulting assistance as identified by the Agency.
- Mitigation of environmental issues.
- Consolidation of multiple adjacent lots into one larger lot, including costs associated with land surveying.
- Improvement of traffic or pedestrian infrastructure challenges in the urban renewal area. For example, sidewalk construction to improve pedestrian access to businesses sites.
- Physical construction activities as identified by the Agency.

### 1.2: Program Description

Applicants can apply for grants of up to \$100,000 per property, which may be required to be paid back with interest if any of the project requirements in the Grant Agreement are not satisfied. The

Table A below depicts typical maximum grant funds allotted for each portion of a project. The maximum grant award for a project is \$100,000. The Agency may approve a different allocation of grant funds (from the amount set forth below) up to the maximum amount of \$100,000. For example, the full \$100,000 of the grant may be used for tenant improvements if the Agency feels there are sufficient justifications for that type of award.

**Table A: Grant Project Funds**

Project Section	Maximum Funds
Architecture	\$10,000
Engineering and Consultant Fees	\$25,000
Environmental Mitigation, Demolition, Tenant Improvements, and/or Construction	\$65,000
Total Funding	\$100,000

The grant is available to do studies, create plans, or take actions to mitigate environmental, wetland or storm water issues, demolish blighted or unneeded structures, resolve transportation, or access issues, and address other issues as identified by the Agency. If the applicant does not complete the requirements on the timeline set forth under the Grant Agreement, then the grant will need to be paid back to the Agency and the amount will incur interest from the date the funds were initially

received by the applicant and must be paid back over a specified period of time with scheduled payments as negotiated by the parties. The entire payback period shall be no longer than ten years.

### 1.3: Eligible Grant Applicants

Property owners, business owners, or developers are eligible applicants for a Grant under this Program. An applicant shall also meet the minimum qualifications identified in Table B.:

**Table B: Applicant Minimum Qualifications**

i.	Provide a business plan that demonstrates the benefits the proposed eligible project will provide for the Fairview Urban Renewal Area.
ii.	Show the applicant has the financial capacity to complete the project.
iii.	Not have any outstanding obligations with the Fairview Urban Renewal Agency.

### 1.4: Program Requirements and Criteria

Eligible proposals must conform to the Program criteria as identified in Table C. These criteria are provided to assure appropriateness of the proposed work and compatibility with the Fairview Urban Renewal Plan. All applicants who provide the Agency with eligible proposals that meet at least one Program criteria may be eligible to receive funding. A recipient may utilize the Program in conjunction with other Agency financial programs and other public financial resources; however, in no event may the total amount of “funds of a public agency” as that term is defined under ORS 279C.810, exceed \$750,000 for the funded project. Applicants may receive funding for more than one property or structure based on availability of funds. When applicable, business owners must submit a signed acknowledgement from property owner/s authorizing participation in the Program. Tenants applying to fund tenant improvements must have the owner of the property listed as a co-applicant.

Eligible proposals include industrial, commercial, senior facilities that transition from independent living to skilled nursing, or residential mixed-use developments located within the urban renewal area (*see map attached*). Owner-occupied residential developments are eligible for participation in this Program. Individual rental residences are not eligible for funding under the conditions of this Program. However, if a percentage of a commercial building is used for residential purposes, consideration may be given for Program eligibility.

During the application process, applicants will be required to demonstrate financial capacity for the proposed project and must be current on all property taxes and City utilities.

Eligible proposals must demonstrate compatibility with at least one of the following Program criteria in Table C and one of the eligible activities in Table D.

**Table C: Program Criteria**

<ul style="list-style-type: none"><li>• Development creates jobs</li><li>• The ground floor space of buildings with street frontage in a mixed-use development shall be for commercial use</li><li>• Development mitigates current and future environmental or storm water issues on the project site or in the urban renewal area.</li><li>• Development improves traffic or pedestrian infrastructure challenges in the urban renewal area.</li></ul>
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- Development decreases the number of defunct or derelict structures in the urban renewal area. Grant dollars may be used to cover the cost of structure demolition.
- Development decreases the number of vacant or under-utilized lots in the urban renewal area. Grant dollars must be used for an eligible activity (see Table D)
- Removes site development and public infrastructure challenges for a senior facility that transitions from independent living to skilled nursing or provides owner occupied housing.
- Converts existing first floors in the Village Mixed Use Zone to commercial use. Grant dollars may be used for structural and/or fire safety improvements required to convert the residential structure type to commercial occupancy, and to make tenant improvements.
- Space improvements for eating and drinking establishments (including purchase of commercial kitchen equipment) in the Village Mixed Use and Town Center Commercial Zones along Halsey Street.

**Table D: Eligible Activities**

1. Development Site Readiness	
i.	Demolition
ii.	Consultant Fees for feasibility studies.
iii.	Environmental Remediation
iv.	Consolidation of multiple adjacent lots into one larger lot, including costs associated with land surveying.
2. Tenant Business Improvements in Program eligible locations	
i.	Fire, Life, and Safety Code requirements
ii.	Restaurant Equipment
iii.	Finishing space to meet specific needs of the tenant or use.
iv.	HVAC, Electrical, and Plumbing Improvements to meet the needs of the use or tenant
3. Infrastructure Improvements	
i.	Streetscape improvements on Halsey Street or on the first 100 feet of streets that intersect with Halsey. The Agency may on a case-by-case basis consider streetscape improvements in the Urban Renewal area of the Village
ii.	Pedestrian and bicycle improvements on NE 223 <sup>rd</sup> Avenue and Sandy Boulevard.
iii.	Resolution of storm water or transportation infrastructure issues including development access

**Table E: Examples of Non-Eligible Applicants or Activities**

Non-permanent fixtures, personal property and equipment (except as allowed for elsewhere in this program), government uses within publicly owned buildings	National franchises
Non-profit organizations	Locally owned franchises with more than five locations
Businesses that exclude minors during all business hours	Work completed prior to a grant agreement being executed

\*In limited cases, grants may be sanctioned for one of these uses with Agency approval.

The total amount of “funds of a public agency” as that term is defined under ORS 279C.810 may not exceed \$750,000 for the funded project. Any projects using \$750,000 or more of “funds of a public agency” are not eligible to participate in the Program.

### **1.5: Funding Available**

Funds are subject to budget availability. A grant applicant may be restricted to one grant per property or acceptance of a second grant application may be delayed until other applications are considered. This allows the Agency to provide opportunities that benefit the widest range of eligible recipients.

Prior to receiving any funds, the applicant (Including any co-applicant) will need to sign a Grant Agreement. The Grant Agreement will contain the specific Agency requirements for the applicant to receive the grant.

Some grants may require occupancy or operation during the defined period following completion of the grant funded activity. If this or other grant requirements are not met, the grant will need to be paid back to the Agency. In addition to costs associated with the payback amount, the applicant will also be required to pay the interest that would have accrued from the time the initial Grant funds are received.

### **1.6: Performance Requirements: General Conditions**

Table F below provides the General Conditions that must be satisfied for all grant funded projects.

**Table F: General Conditions**

<ol style="list-style-type: none"><li>1. Improvements funded by the grant will be maintained in good order; graffiti and vandalism will be dutifully repaired.</li><li>2. Property taxes must be current, and participants may have no debts in arrears to the City when the Grant Agreement is issued.</li><li>3. Compliance with the City of Fairview Business License, and registration with State of Oregon for all applicable business activity, is required.</li><li>4. Project must comply with applicable City of Fairview land use regulations.</li><li>5. The Applicant must complete, sign, and submit a W-9 for disbursement of funds.</li><li>6. All projects will display signage indicating the Agency's involvement in the improvement work during construction.</li><li>7. The grant recipient will be required to retain records for potential Agency audits.</li><li>8. The grant recipient will be required to repay grant funds if the terms of a Grant Agreement are materially breached.</li></ol>
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### **2.1: Development Grant Program Application Process**

Applications for the Development Grant Program are available through the City’s Administration Office or online at the City of Fairview’s website:

(<http://fairvieworegon.gov/economicdevelopment/urbanrenwal>).

### **2.2: Submittal Requirements**

To apply for a grant under the Program, an applicant shall complete the following steps and submit the required documentation as identified below:

- Complete initial Staff Consultation review of proposed project for Program eligibility. To set up a Staff Consultation contact City Recorder Devree Leymaster at (503) 674-6224 or leymasterd@ci.fairview.or.us.
- Submit a completed application form provided by the Agency with all required information.
- A business plan that demonstrates the benefits the proposed eligible project will provide for the Fairview Urban Renewal Area and shows that Applicant has or can acquire the capacity to complete the project.
- Information that demonstrates that the Applicant has financial capacity for the proposed project.
- A proposed project timeline.
- If applicable, written consent from property owner giving permission to conduct studies or building improvements. A property owner must be a co-applicant for grant applications submitted by a tenant for tenant improvements.
- Color photographs of existing conditions.
- Available drawings, pictures or plans of the proposed improvements.
- Proof that land use approval, if applicable, has been applied for or received.
- Preliminary commitment of any other funds to be used in the project.

**2.3: Selection Process**

Applications will be reviewed to assure that all aspects of the program guidelines are addressed. After review, the Agency staff will make a recommendation to either approve or deny the application. If the application is denied, the applicant has the opportunity to appeal the decision to the URA Board.

Projects under \$20,000 are approved by agency staff. Projects over \$20,000 are reviewed and approved by Agency Board.

**2.4: Grant Agreement:**

Once a project proposal is approved, the applicant must sign an Agency Grant Agreement. The minimum terms of the Grant Agreement are provided in Table G below.

**Table G: Grant Agreement:** Each Grant shall contain the following minimum terms:

<ul style="list-style-type: none"> <li>• Grant funds may only be applied to costs incurred for eligible project activities in the Fairview Urban Renewal Area.</li> <li>• As grant funds are expended, the applicant shall submit sufficient evidence in the form of monthly statements to city staff to demonstrate that grant funds have been applied only to the eligible project for eligible activates.</li> </ul>
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- The eligible project must be maintained in the Fairview Urban Renewal Area for the duration of its useful life.
- A requirement that the applicant shall provide on an annual basis, information deemed necessary by the Agency to determine compliance with the terms of the Grant Agreement. Such information to be provided within 120 days of the end of its fiscal year.
- For Restaurant Equipment Grants the Owner, and if applicable, Tenant, must complete a Uniform Commercial Code (UCC) Filing that will remain in effect for five years.
- For Tenant Improvement Grants, the project/business in operation and benefitting from the tenant improvements must remain in operation for at least five years or all or a portion of the grant, as identified in Section 4.2 below, will convert to a loan. A lien and encumbrance equal to the required payback amount will be placed on the subject property for that five-year period and thereafter until any amount due is paid off.
- Other terms and conditions as deemed necessary by the Agency.

**2.5: Grant Agreement Amendments**

The Agency acknowledges that special circumstances may require changes to the original approved project. As a result, the Agency will allow a project Grant Agreement to be amended in the event of qualifying special circumstances. The grant recipient must provide evidence in support of amending the project to the Agency. All evidence must be provided in writing prior to physical improvements beginning, clearly depicting all changes to the project scope and the circumstances requiring said change. The Agency will review the recipient’s evidence and deliver a decision on the amendment within 30 days.

**3.1: Commitment of Funds**

The Agency will review and ensure all pre-grant and application conditions are met prior to issuing a Grant Agreement and allocating funds to the project. Grant funds will only be disbursed for work completed after a Grant Agreement is executed. The Grant Agreement will serve as the legal commitment of both parties as to the scope and quality of work and the amount of funds committed.

**3.2: Project Implementation**

Once the grant agreement is signed the recipient may proceed with the project in accordance with the following requirements:

- Applicant is responsible for hiring the consultant, but it must be done in coordination with City of Fairview engineers and planners.
- Applicant must hire and contract with contractor(s)
- Applicants must attempt to provide three competitive proposals from licensed and bonded contractors for projects that exceed \$5,000. If the applicant is unable to acquire qualifying proposals, the applicant may request in writing waiver of the three qualifying proposals. Proposals should give detailed information about the work to be completed, the costs, and the project completion schedule. All proposals must include an authorized signature (electronic signatures will not be accepted) as well as a CCB# and full address. Once a

project is awarded funds, contractors cannot be changed unless new proposals have been submitted for review and authorization by the Agency.

- If the applicant is a licensed contractor and the project is within their own property or business, said property owner must furnish at least two qualifying proposals other than their own for consideration.
- If the applicant is a licensed contractor, an additional bid must be submitted to validate the applicant's bid. Contractor fees and overhead for applicant owners will not be reimbursed. All contractors must be licensed by the State of Oregon. All construction contracts will be between the applicant and contractor. The Agency reserves the right to reject the grant recipient's proposed contractor(s).
- Owners and merchants may also perform work on their own buildings; however, they will not be reimbursed for their time while acting as contractor and/or installing material. Material costs and labor of employees are reimbursable; however, documentation must be produced for the number of hours worked on the project by the employees, the rate of pay, etc.
- City must review all contracts with consultants and contractors to verify consistency with the scope of work and the Grant Agreement.

### **3.3: Reimbursement of Funds**

All grants are funded on a reimbursement basis following completion of the project. The total reimbursement for each property shall not exceed \$100,000. Prior to reimbursement of funds, all completed work will be reviewed by staff to ensure compliance with the Grant Agreement. At staffs' discretion, the contractors or consultants may be paid directly if reimbursement is deemed a financial hardship for the grant recipient.

### **3.4: Request for Reimbursement**

Prior to disbursement of grant funds, the City will conduct a site inspection of the property to verify that all work as described in the Grant Agreement has been completed. The applicant will be required to submit a "Completed Work Statement" along with the required supporting documents identified below to the City Administrator.

- Completed Site Inspection
- Completed Work Statement
- Submit Form W-9
- Copies of all paid invoices, cancelled checks, and/or bank statements for all work completed within the awarded grant. All project expenses submitted for reimbursement must be paid in full. The invoices must be marked as paid, signed, and dated by the contractors.
- Lien waivers cannot be substituted for cancelled checks or bank statements.
- Photographs of completed project activity.

### **3.5: Agency Review**

The Agency has the sole authority to determine eligibility of proposed work and confirmation of completed work. Participants will be responsible for obtaining necessary regulatory approvals. All work must comply with city, state, and federal regulations.

Reimbursement can be expected in approximately three to six weeks after all of the required documentation has been submitted, approved, and reviewed.

Recipients of Program funds must adhere to the conditions in Table H below during the grant funding period:

**Table H: Requirements during Project**

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| <ul style="list-style-type: none"><li>• If the applicant is the property owner, retention of the property for the duration of the project; grant funds are not transferable.</li><li>• Maintain property insurance through duration of the project.</li><li>• Operate in compliance with all applicable local, state, and federal codes, laws and regulations.</li><li>• Maintain property and/or building improvements after improvements are completed.</li><li>• Remain current on city and county property taxes for the duration of the project.</li></ul> |
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**4.1: Conversion**

Non-compliance with any of the above-mentioned items or terms of the Grant Agreement shall be considered in default and may constitute repayment of all or a portion of the grant funds awarded through the Program.

**4.2: Period of Operation Requirements for Tenant Improvements.**

Projects that receive a grant for tenant improvements must remain open for business as detailed in the business plan for at least five years (60 months) from the date of receipt of grant funds? or the applicant will be required to payback a portion of the grant as identified in the following schedule

- Less than 24 months.....100% of the grant amount
- More than 24 months but less than 60 months. 1/60 (1.66%) of the grant amount for each month less than 60 months that the Project is not open.
- A lien and encumbrance evidencing this requirement will also be placed on the subject property as set forth in Table G above.

**4.2: Payback of Loan**

Any payback shall be subject to the conditions: identified in Table I below.

**Table I: Payback Conditions:**

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| <ol style="list-style-type: none"><li>i. No payback amount shall exceed \$100,000.</li><li>ii. As a minimum, the payback amount will include an interest rate of prime plus 2% during the life of the payback period.</li><li>iii. The term shall not exceed ten years.</li><li>iv. Interest applied to the payback amount will accrue immediately upon receipt of Agency funds.</li><li>v. The payment schedule will be amortized over a 10-year period or useful life of the eligible project, whichever is less.</li><li>vi. Adequate security in the form of a promissory note and a lien and encumbrance on the property involved in the project until the amount is paid off.</li><li>vii. The payback amount may be paid off early at any time without penalty.</li></ol> |
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