



Economic Development and Business Improvement Grant Programs: Overview

The City's Redevelopment Commission (MRC) has established several economic development related programs to support businesses located within the <u>Urban Renewal Area (URA)</u>. These programs include the Storefront Improvement, Tenant Improvement, and Pre-Development Assistance Grant Programs, as well as Anti-Displacement Business Consulting, which are all intended to help the City meet the goals set forth in both the <u>Urban Renewal Plan</u> and its <u>Five-Year Action Plan</u>.

Program Brief

- Storefront Improvement Grants are intended to upgrade the exterior appearance of buildings with enhancements that are compatible with local design guidelines and building architecture. The specific use that occupies the space is of secondary concern.
- **Tenant Improvement Grants** are intended for specific businesses such as food service, curated retail, or similar uses, which are likely to enhance commerce opportunities, increase foot traffic, and attract customers from outside of the area.
- Pre-Development Assistance Grants are intended to help fund various professional studies that are likely to result in new development (either new construction or major rehabilitation).
- The Anti-Displacement Business Consulting program is intended to support businesses that have operated in the URA for at least two years and are not in a position to financially pursue the other grant programs but would benefit from professional consulting services.

Administration

Authorization of applications for these programs is at the discretion of the City's Community Development Director, or in certain specified circumstances, the MRC. Approval of funding requests through these programs should never be assumed by the applicant, even in cases of requests for improvements which fully comply with any applicable codes and program parameters. Funding is limited and assistance is based on a first come, first served basis.

Preferred Values

The City embraces the protection and advancement of historically under-represented and marginalized communities. Applicants for these grant programs will be asked to address possible benefits and risks of their proposed application in this regard. The City also encourages applicants to consider utilizing local contractors, vendors, and suppliers to perform the funded work.





Application & Approval Process

- 1. While not a requirement, potential applicants are encouraged to meet with City staff prior to applying.
- 2. Applicants must fill out the application form linked <u>here</u>.
- 3. Awarding of funds under any program doesn't replace the applicant's obligations to fulfill all required permits and processes zoning approvals, building permits, licenses, etc.
- 4. Once the City has received an application, it will review the application within 30 days to determine completeness and it adequately demonstrates compliance with program parameters.
- 5. The City may choose to approve funding for a project provided it determines the following:
 - a. The application has been determined complete and compliant with relevant parameters.
 - b. The City has determined that the project is consistent with the City's goals for the URA.
 - c. The City has sufficient budgeted funds.
- 6. The City may elect to only partially award projects if it deems that some aspects of the proposal are inconsistent with the City's goals for the URA or has insufficient funds to award all of the requests that it has received.
- 7. In the event of competition for funds under any program, the City will prefer projects that express the preferred values stated above and are more likely to generate additional local benefits. Local benefits include a commitment to local hiring and contracting, commitment to diversity and equity, creation of new jobs, community placemaking, the likelihood of significant foot traffic generation, and any similar benefit.
- 8. For awarded projects, the City shall enter into a grant agreement with the applicant.
- 9. All work to be funded by the City must be completed within 12 months of the execution of the contract between the City and the applicant.





Storefront Grants - Parameters

<u>Eligible Area</u>: The program is available to businesses and properties located within the Urban Renewal Area.

<u>Eligible Applicants</u>: Current or future businesses of "street-fronting" tenant spaces, or property owners, in existing buildings. Applicants must be current on their property taxes and business license, as applicable. Generally, non-profits are ineligible, unless the Community Development Director determines that the use itself will contribute to the vitality of the Urban Renewal Area, notwithstanding the fact that the property may be tax-exempt (examples might include a non-profit art facility or business incubator). National chains are not eligible. Small local chains (combined annual revenues of all stores in the chain don't exceed \$5,000,000) may be considered on a case-by-case basis. Also ineligible: applicants who have utilized the program in the prior five years, unless the Community Development Director determines that extraordinary circumstances warrant a briefer timeline (e.g. fire damage).

<u>Eligible Activities</u>: Exterior improvements which enhance the appearance or functionality of ground floor retail/commercial spaces and contribute to the aesthetic qualities of the building architecture. *Examples*: New windows, entrances, transoms, awnings, signs, sidewalks (when ancillary to the project, but not as stand-alone sidewalk upgrades), building rehabilitation, and new siding. The City will also consider funding of any necessary fees, including building permits and System Development Charges (SDCs), as well as any off-site improvements (sidewalks, public infrastructure) when ancillary to the project.

<u>Ineligible Activities</u>: Residential uses. Upper floor improvements, except for roof-top bars or dining areas. Ordinary repair and maintenance, except when incidental to storefront upgrades.

<u>Maximum Grant Amount</u>: \$25,000. Note that this cap applies to each business entity within a building that has multiple ground floor tenant spaces. Depending on funding availability, the Community Development Director may consider larger grant requests.

<u>Minimum Applicant Match Requirement</u>: 50%, but only 25% for "small grants" of up to \$5,000. The Community Development Director may also reduce the 50% match requirements for projects that cost more than \$5,000, in the case of businesses with limited resources, language barriers, socio-economic status, and projects that benefit smaller businesses.

<u>Application Cycle</u>: Applicants may seek funds at any time. Funding is limited and awards will be made on a first come, first served basis.

<u>Duration of Improvement</u>: Improvements funded by these grant programs must remain in place for a minimum of five years. If the improvements are removed within five years, the applicant must reimburse the City on a pro rata basis (20% of grant funds for every year remaining in the five-year duration period). However, projects which entail grant funding of \$5,000 or less are not subject to this requirement.





Tenant Improvement Grants - Parameters

<u>Eligible Area</u>: The program is available to businesses and properties located within the Urban Renewal Area.

Eligible Applicants: Current or future tenants for businesses in existing or new/proposed buildings that help to establish Downtown Milwaukie, and the greater URA, as a destination. Office uses are ineligible, as this program is restricted to restaurants, curated retail, and similar uses that generate foot traffic. Both existing and new/proposed buildings are eligible. Applicants must be current on their property taxes and business license, as applicable. Generally, non-profits are ineligible, unless the Community Development Director determines that the use itself will contribute to the vitality and goals of the URA, notwithstanding the fact that the property may be tax-exempt (examples might include a non-profit art facility or business startup incubator). National chains are not eligible. Small local chains (combined annual revenues of all stores in the chain don't exceed \$5,000,000) may be considered on a case-by-case basis. Also ineligible: applicants who have utilized the program in the prior five years, unless the Community Development Director determines that extraordinary circumstances warrant a briefer timeline (e.g. fire damage).

Eligible Activities: This program is restricted to supporting interior improvements of restaurants (locally owned eateries), curated retail, and other similar uses that are explicitly intended to generate foot traffic and help create a "destination." *Examples*: Furniture, Fixtures, and Equipment (FFE), such as new kitchen equipment in the case of restaurants, or other improvements intended to accommodate desired uses; improvements required by code, such as grease trap interceptors, fire and life safety, ADA accessibility, etc. The City will also consider funding any necessary fees, including building permits and System Development Charges (SDCs), as well as any off-site improvements (sidewalks, public infrastructure) when ancillary to the project.

<u>Ineligible Activities</u>: Residential and office uses. Upper floor improvements, except for roof-top bars or dining areas. Ordinary repair and maintenance (except when incidental to tenant improvement upgrades)

<u>Maximum Grant Amount</u>: \$25,000. Note that this cap applies to each business within a building with multiple ground floor tenant spaces. Depending on funding availability, the Community Development Director will consider larger grant requests.

<u>Minimum Applicant Match Requirement</u>: 50%, but only 25% for "small grants" of up to \$5,000. The Community Development Director may also reduce the 50% match requirements for projects that cost more than \$5000, in the case of businesses with limited resources, language barriers, socio-economic status, small businesses, and projects that benefit smaller businesses.

<u>Application Cycle</u>: Applicants may seek funds at any time. Funding is limited and awards will be made on a first come, first served basis.





<u>Duration of Improvement</u>: Improvements funded by the grant program must remain in place for a minimum of five years; if the URA-funded improvements are removed in less than five years, the applicant must reimburse the City on a pro rata basis (20% of grant funds for every year remaining in the five-year duration period). However, projects which entail grant funding of \$5,000 or less are not subject to this requirement.





Pre-Development Grants - Parameters

Eligible Area: The program is available to properties located within the Urban Renewal Area.

Eligible Applicants: Property Owners, as well as prospective owners or developers who can demonstrate to the City's Community Development Director satisfaction that they are in the position to control the development of the property in question (i.e. an Earnest Money Agreement to acquire the site, an Option to purchase, a Joint Venture Agreement with the owner, or other documentation as deemed appropriate by the Community Development Director). In general, the ultimate redevelopment of the property should generate Tax Increment Financing (TIF); however, the Community Development Director will consider requests to fund pre-development efforts for projects that may be exempt from property taxes, but support City and URA goals. Applicants must be current on their property taxes and business license, as applicable.

<u>Eligible Activities</u>: Any professional studies associated with possible redevelopment of a property (either new construction or major rehabilitation). The redevelopment must be for a use or uses that support City goals for its downtown and URA as described in the <u>Urban Renewal Plan</u>. Professional studies may include, but are not limited to, conceptual design, market/feasibility analysis, appraisal, environmental assessment, geo-technical study, property survey, and other similar reports.

<u>Maximum Grant Amount</u>: \$50,000, but the Milwaukie Redevelopment Commission may authorize larger grant amounts for significant, catalytic projects (large scale, major redevelopment). For catalytic projects, the City will thoroughly review the proposal's expected return on investment as measured in terms of future tax revenue generation, added housing, new uses that increase foot traffic and economic activity, offer a "sense of place," and provide additional community benefits that are addressed by the applicant. The City may request additional information to verify a project's intended economic and social impact.

<u>Minimum Applicant Match Requirement</u>: The applicant must contribute a minimum of 50% of the pre-development cost.

<u>Application Cycle</u>: Applicants may seek funds at any time. Funding is limited and awards will be made on a first come, first served basis.

<u>Decision Authority</u>: For grants of up to \$50,000, the Community Development Director has approval authority and will base their decision on compliance with these parameters, as well as determine that the project will serve to advance the goals of the URA Plan and is reasonably likely to be built in the next five years. Requests in excess of \$50,000 (catalytic projects) will require authorization by the Milwaukie Redevelopment Commission





<u>Work Product Ownership</u>: The City will own the work that it funds and may opt to share that work with other parties as the City deems appropriate including future owners or developers of the property.





Anti-Displacement Business Consulting - Parameters

In an attempt to prevent the displacement of existing businesses, this program offers professional consulting services that are intended to help businesses stay competitive and relevant in today's market. It is also intended to support businesses that are not ready, or lack the means, to pursue the other grant programs listed above.

Eligible Area: The program is available to properties located within the Urban Renewal Area.

<u>Eligible Applicants:</u> Business owners in the urban renewal area who have been operating for at least two years.

<u>Eligible Activities:</u> Consulting services related to interior and exterior design planning, merchandising, branding, displays and similar related effects. The consultant will provide the applicant with written reports that provide customized findings and recommendations for each business's unique goals.

<u>Maximum Grant Amount</u>: This is a service-based program. There is no financial award. The consultant will provide free professional consulting services equal to \$2,500 of value.

Minimum Applicant Match Requirement: No match required.

<u>Application Cycle</u>: Applicants may seek funds at any time. Funding is limited and awards will be made on a first come, first served basis.