

Laurel Urban Renewal Agency



Laurel Urban Renewal Agency

P.O. Box 10

Laurel, MT 59004

Effective: February 20, 2020

LAUREL URBAN RENEWAL AGENCY

Grant Program Information

Effective: February 20, 2020

To receive funding, all applications must be submitted to the Laurel Urban Renewal Agency and approved by the City Council.

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TAX INCREMENT FINANCING APPLICATION PROCESS FOR POTENTIAL PUBLIC INFRASTRUCTURE ASSISTANCE VIA A DEVELOPMENT AGREEMENT AND POSSIBLE ISSUANCE OF TIF DISTRICT BONDS

IMPORTANT: The material below outlines the Tax Increment Financing (TIF) application process and Development Agreement and the responsibilities of the person or firm requesting TIF fund assistance (hereinafter known as APPLICANT) and the Laurel Urban Renewal Agency (hereinafter known as LURA).

Please review this information carefully before submitting the application or finalizing your development plans. Incomplete applications will be returned.

SECTION 1 INTRODUCTION

The Laurel Urban Renewal Agency (LURA) is responsible for advising the Laurel City Council (hereinafter referred to as the City), pursuant to Montana Urban Renewal Law (Title 7 Chapter 15, part 4288 Montana Code Annotated). Tax Incremental Financing (TIF) is an important program as it provides a means to finance public urban renewal activities that assist and enhance private development within the district. A TIF program operates by first establishing a base year taxable value for all properties within the set urban renewal district. Property taxes continue to be paid to all taxing jurisdictions on the basis of the base year valuation. All increases in property taxes above this base valuation due to new development or reappraisals are assigned to the TIF District. They are then invested in district revitalization activities. Consideration of TIF District assistance is available to private landowners for public infrastructure components of construction projects within the boundaries of the TIF District.

The TIF may be used to assist in funding certain urban renewal projects. The LURA Board was established to review applications and make recommendations to the City for assistance to projects eligible under this statute relating to technical assistance, façade improvements, and property rehabilitation. Requests are evaluated on criteria outlined in the “Criteria for Review” section. Emphasis will be placed on projects that address the vision, strategies, and needs presented in the Laurel Urban Renewal Plan and Laurel Gateway Plan. The plan is available for download at the City of Laurel website: www.laurel.mt.gov.

Projects requesting TIF funds should be increment generating where development will contribute to increased tax revenue for the TIF District that improve the aesthetics, character, safety and/or quality of life in the area.

Projects must be of a commercial or non-profit classification to be eligible for any grant program. The applicant must be the recorded property owners or a tenant under lease with the owner's written permission.

SECTION 2 **SMALL GRANT PROGRAMS**

The general grant program is intended for smaller scale eligible projects. Projects must support the goals of the LURA and the City. The TIF may be used to assist in funding certain urban renewal projects. The LURA Board will review applications and approve or make recommendations to the City Council for projects eligible under this program. Requests are evaluated on criteria outlined in the “Criteria for Review” section. Emphasis will be placed on projects that address the vision, strategies, and needs presented in the Laurel Urban Renewal Plan and the Laurel Gateway Plan. These plans are available for download at the City of Laurel website: www.laurel.mt.gov.

Projects requesting TIF funds should be increment generating where development will contribute to increased tax revenue for the TIF District that improve the aesthetics, character, safety and/or quality of life in the area.

Applicants are reminded that small grant awards made by the LURA Board are discretionary in nature and should not be considered an entitlement by the applicant. All grant criteria contained herein are guidelines for awards and successful applicants may receive any amount up to the maximum award. Should an application meet all grant criteria, a grant may or may not be awarded at committee or staff discretion due to funding limitations, competing applications, and/or competing priorities.

Any requests for TIF District funding above \$5,000 are subject to approval by the City Council and the availability of funding. If your project has been approved for funding in the upcoming fiscal year, you will not be eligible for the program for two grant cycles.

The small grant programs are open to current city residents, property owners, business owners, and developers within the TIF District. The Board shall review applications on a first come, first serve basis for the duration of funding availability. Projects that are approved by the Lura Board shall be processed by the City Planner and subject to final review, approval, and reimbursement by the Office of the City Clerk. Applications that are denied by the Board may be re-submitted the following funding cycle.

2.1 General Small Grant Program

The purpose of this program is to support current/potential developers, owners, and tenants with assistance during general small-scale projects in the TIF District of downtown Laurel. Projects must support the goals of the Laurel Urban Renewal Agency (LURA) and the City.

The general small grant program provides funding for up to \$5,000 to individual eligible projects. Any project over \$5,000 will be referred to City Council for review under the Large Grant Program. Funding Availability for the general Small Grant Program will be determined by the City Planner and City Clerk-Treasurer on an annual basis. The general small grant program will be a 1:1 funding match, up to 50% of the total project cost.

Applicants to the General Small Grant Program shall be ineligible for a Large Grant within the same fiscal year. Applicants are eligible for up to \$5,000 per project on a biennial basis. Any applicant with a pending application to the Large Grant Program shall be ineligible for the General Small Grant Program. Please ensure that your application and supporting documents are complete. The LURA Board shall not review incomplete applications.

Eligible Improvements under the Small Projects Grant

- Demolition and abatement of structures and removal of blight (MCA 7-15-4288)
- Sidewalks, Curbs, Gutters (MCA 7-15-4288)
- Public Utilities - Water, Wastewater, Storm Water (MCA 7-15-4288)
- Private Utilities - Electrical, Natural Gas, Telecommunications, Fiberoptic (MCA 7-15-4288)
- Intersection Signals & HAWK Crossings (MCA 7-15-4288)
- Street & Alley Surface Improvements (MCA 7-15-4288)
- Crosswalks (MCA 7-15-4288)
- Green Space & water ways (MCA 7-15-4288)
- Improvement of Pedestrian Areas (MCA 7-15-4288)
- Historical Restorations (MCA 7-15-4288)
- Off Street Parking for public use (MCA 7-15-4288)
- Bridges & walkways (MCA 7-15-4288)
- Pollution Reduction (MCA 7-15-4288)
- Structural Repairs (flooring, interior walls, roof/ceiling)
- Energy Efficiency Improvements (interior LED lighting, insulation, programmable thermostats, solar panels)

2.2 Technical Assistance Grants

The purpose of this program is to support current and potential developers, owners, and tenants with technical assistance during the preliminary phases of possible projects in the TIF District. Technical assistance projects must support the goals of the LURA Board and the Mayor and City Council.

The program is open to current or potential building owners, tenants, developers or other entities interested in projects that will promote or improve the downtown TIF District. All work shall be preliminary in scope. Construction work is not eligible for Technical Assistance funding.

Two technical assistance grants are available:

- Grants for assistance with façade improvements provide up to 30 hours of professional assistance for project review and preliminary design for a maximum of \$2,400.
- Grants for technical assistance projects are limited to a total of fifty (50) hours of service for a maximum of \$4,000.

Eligible services include:

- Feasibility studies,
- Preliminary development review/assistance,
- Preliminary building condition assessment studies (Structural, mechanical, electrical),
- Renovation vs. restoration opinions,
- Assessments to determine Preservation Tax Credit potential,
- Renovation/reuse studies,
- Site selection assistance,
- Preliminary cost estimates,
- Code analysis, and
- Landscape/Hardscape improvements.

The intent of these grant programs are to provide assistance to those who would not normally have access to certain professional services who, because of cost, are unable to obtain project improvement assistance. Participating applicants and contracts are ineligible to receive grant funding for projects in which the firm, firm owners, employees, or members of their immediate family have a financial or ownership interest. This policy is in effect for the duration of the grant assignment only and does not prohibit the involvement of a participating professional in the future.

2.3 Façade Improvement Grants

The purpose of this program is to provide financial and practical assistance to maintain, create, reuse, or recycle buildings in the downtown Laurel TIF District. Grant monies are available to developers, owners, and tenants to encourage a higher level of quality and design in the downtown environment. Façade improvement projects must support the goals of the Laurel Urban Renewal District and the Mayor/City Council.

The Board shall review applications on a first come, first serve basis for the duration of funding availability. The LURA Board will review applications at their monthly meetings. Applicants are advised to submit a complete application and all supporting materials per the instructions in this packet; the committee will not review incomplete applications.

It is recommended that applications be reviewed and approved before construction begins. However, applications will be considered after construction as begun if the project complies with the goals of LURA and the Mayor/City Council. Matching grants are available up to 50% of the cost of facade improvements according to the criteria below.

2.3.1 Façade Improvement Criteria.

Façade improvement grant funds are based upon three factors and amounts are cumulative:

- **Building Frontage** - The length of the face of the building along a public street. Building frontage is the only measurement that is considered, regardless of the position of interior or common walls.
- **Building Height** - The number of stories of the building (stories as defined by the current building code).
- **Architectural Significance** - Buildings that have been deemed eligible for the National Register and have successfully complete a Part One application for the National Register. Please note that grant funds may not be used for the purpose of pursuing a historic designation.

2.3.2 Façade Improvement Funding

Funding Factors		
(Nominal Measurements)	Grant Amount (up to \$)	Required Match
30' frontage or less	\$ 2,000.00	1/1
30' to 55' frontage	\$ 4,000.00	1/1
55' frontage or greater	\$ 6,000.00	1/1
2 stories and taller	\$ 1,500.00	1/1
Qualifying historic property	\$ 1,500.00	1/1

2.3.3 Eligible Improvements

Eligible facade improvements include:

- Water cleaning
- Prepping and painting
- Window replacements/repairs
- Door replacement
- Entry foyer repairs
- Exterior lighting
- Facade restoration/rehabilitation
- Landscape/hardscape improvements

2.4 Signage and Awnings

In addition to the maximum grant amounts listed above, separate matching grants are available for signage and awning improvements.

- Signage: Separate matching grants are available up to 50% of the cost of design, permits, fabrication and installation of signs to a maximum of \$3,000.
- Awnings: Separate matching grants are available up to 50% of the cost of design, permits, fabrication and installation of awnings with a maximum of \$3,000.

SECTION 3 GENERAL LARGE GRANT PROGRAM

The general large grant program is intended for larger scale projects. The general large grant program currently has \$225,000 available in total funding. The purpose of this program is to support current/potential developers, owners, and tenants with assistance during large scale projects in the downtown Laurel TIF District. Projects must support the goals of the Laurel Urban Renewal Agency and the mayor/city council.

The LURA Board will review applications and approve and make recommendations to the City Council for eligible projects under this program. Requests are evaluated on criteria outlined in the “Criteria for Review” section. Emphasis will be placed on projects that address the vision, strategies, and needs presented in the Laurel Urban Renewal Plan and the Laurel Gateway Plan. These plans are available for download at the City of Laurel website: www.laurel.mt.gov.

Projects requesting TIF District funds should be increment generating where development will contribute to increased tax revenue for the TIF District that improve the aesthetics, character, safety and/or quality of life in the area.

Applications are accepted between March 1st and May 31st. All requests for TIF District funds are subject to review and approval by the City and the availability of TIF District funds. General large grant applications will be awarded at a 1:1 funding ratio; up to 50% of the requested amount.

The general large grant program is open to current city residents, property owners, business owners, and developers within the TIF District. The Board shall review applications on a first come, first serve basis for the duration of funding availability. Projects that are approved by the Lura Board shall be processed by the City Planner and subject to final review and approval by the City Council. Applications that are denied by the Board may be re-submitted the following funding cycle.

3.1

Eligible Improvements

The following are eligible improvements under the Large Grant program.

- Demolition and abatement of structures and removal of blight (MCA 7-15-4288)
- Sidewalks, Curbs, Gutters (MCA 7-15-4288)
- Public Utilities - Water, Wastewater, Storm Water (MCA 7-15-4288)
- Private Utilities - Electrical, Natural Gas, Telecommunications, Fiber optic (MCA 7-15-4288)
- Intersection Signals & HAWK Crossings (MCA 7-15-4288)
- Street & Alley Surface Improvements (MCA 7-15-4288)
- Crosswalks (MCA 7-15-4288)
- Green Space & water ways (MCA 7-15-4288)
- Improvement of Pedestrian Areas (MCA 7-15-4288)
- Historical Restorations (MCA 7-15-4288)

- Off Street Parking for public use (MCA 7-15-4288)
- Bridges & walkways (MCA 7-15-4288)
- Pollution Reduction (MCA 7-15-4288)
- Structural Repairs (flooring, interior walls, roof/ceiling)
- Energy Efficiency Improvements (interior LED lighting, insulation, programmable thermostats, solar panels)

SECTION 4 APPLICATION PROCESS AND TIMELINE

Anyone seeking TIF assistance from the LURA must submit a written application for each TIF-assisted project. The following procedure has been developed to expedite the review of TIF funding requests.

Applicants are reminded that the submission of a completed application does not guarantee a grant will be awarded.

Applications must be approved by the LURA Board and when applicable the City Council.

Allow a minimum of 60 days between submitting a complete application to the LURA and receiving a decision from the City.

4.1 Initial Contact

Contact the LURA Coordinator, or City Planner, to discuss the project and determine preliminary eligibility for TIF assistance.

P.O. Box 10
Laurel, MT 59044
406-628-4796, ext. 5

4.2 Prepare and Submit a Written Application

The APPLICANT must prepare a written application for each project request, using the most current form. Applications must be received by the LURA staff in advance of any work on the project.

4.3 Staff Review

Upon submittal of a complete application containing all necessary information, the City Planner will review the project and the need for funding. At any point in the review process the staff or LURA Board may request more information of the APPLICANT or solicit comment on the project from other public agencies. Items included in the application may become public documents and are subject to public review or presentation to or comment by other agencies.

4.4 TIF District Application Review Committee

The LURA Board will review and evaluate the application and any staff recommendations. The review committee reserves the right to seek additional project review from supporting committees of the LURA and from other public agencies. The review committee will issue preliminary approval/disapproval of the assistance request or any part thereof and will make a recommendation to the LURA Board that will then be submitted to the City Council if applicable.

4.5 Laurel City Council Review

Projects that are part of the General Large Grant Program or the requested amount is at or above \$5,000 will be forwarded to the City Council for final approval to proceed. Laurel City Council will review the application, LURA Board and city staff recommendations, and approve, conditionally approve, or deny funding.

4.6 Timing

Following the above process for approval, the APPLICANT can expect a minimum of 60 business days between submitting an application to the LURA and receiving a decision from the City.

4.7 Firm Selection Process

The professional architectural firm may be chosen by the applicant. A selected firm should have a demonstrated commitment to downtown redevelopment efforts, and to the goals of the Laurel City Council and the Laurel Urban Renewal Agency. When working with projects in the historic preservation district, participating firms should be familiar with the Preservation Tax Credit program.

4.8 Conflict of Interest Policy

The intent of these grant programs are to provide assistance to those who would not normally have access to certain professional services who, because of cost, are unable to obtain project improvement assistance. Participating applicants and contracts are ineligible to receive grant funding for projects in which the firm, firm owners, employees, or members of their immediate family have a financial or ownership interest. This policy is in effect for the duration of the grant assignment only and does not prohibit the involvement of a participating professional in the future.

4.9 How to Apply

Applications will be placed on LURA's monthly meeting agenda after submitting a complete application package. Applications may be downloaded from the City website, www.laurel.mt.gov, or in the Planning Department, 115 W. 1st St., Laurel, MT 59044.

4.10 Application Package Checklist

4.10.1 Application

Completed application package. Applicants must submit a new application for each individual grant program applied to (i.e. Small Grant or Large Grant). Applicants may apply for Technical Assistance, Façade, or Sign grants through one Small Grant application.

4.10.2 Copy of Laurel Business License

To confirm location of the property is within the TIF District.

4.10.3 Copy of Historical Building Verification form from Yellowstone County Historic Preservation Office

Buildings listed on the historic register may qualify for additional funding or support. Questions about Historic Preservation can be directed to:

Lora Mattox
Billings City-County Planning Department
mattoxl@ci.billings.mt.us
406-247-8622

4.10.4 Copy of Estimates or Paid Invoices from Applicant's Vendor

Work performed by the applicant, business owner, property owner, employee, or immediate family members shall not be accepted for any grant project.

4.10.5 Copy of Plans and Sketches

Plans and sketches should be neat, legible, and clearly identify the various aspects of the project.

4.10.6 Photos

Photos of the proposed project before and after work is completed (color preferred).

4.10.7 Project Description

Provide a clear and brief description of the project to the LURA review committee.

4.10.8 Project Time Line

Provide a realistic projected time-line for the total project completion.

4.10.9 Copy of Supporting Documentation

Provide any additional documentation that clearly demonstrates the scope of work to be performed, desired results from the project, or as requested by the LURA board.

4.10.10 Copy of Applicant W9

Include a copy of the W9 to assist City staff with verification and authentication of the applicant.

SECTION 5 COMMITMENT OF FUNDS

Upon City approval of a project, the LURA will commit funds to the project from the available TIF District funds and/or potential for Tax Increment Bond issuance. Committed funds will be encumbered for a period of 360 days, by which time construction must have commenced. Commencement of construction means the date on which the first building permit is issued. Projects that have not commenced construction within 360 days risk losing the committed funds unless otherwise noted and approved. Funds will be released only if the project is developed and constructed as presented in the Development Agreement. Funds will be released as specified by the Development Agreement or following project's receipt of a Certificate of Occupancy from the City of Laurel if not specified. When necessary, the LURA will encumber funds for additional fiscal years to accommodate construction schedules.

Applicants are reminded that grant awards recommended and approved by LURA/City Council are discretionary in nature and should not be considered an entitlement by the applicant. All grant criteria contained herein are guidelines for awards and successful applicants may receive any amount up to the maximum award. Should an application meet all grant criteria, a grant may or may not be approved due to funding limitations, competing applications, and/or competing priorities of LURA.

SECTION 6 **CRITERIA FOR REVIEW**

Materials contained in TIF District applications are used to assess the merits of projects in relation to the goals and objectives of the Laurel Gateway Plan. The LURA Board evaluates projects based on the following criteria.

6.1 Relevance to the Laurel Urban Renewal Plan and Gateway Plan

Documentation of the project's impact in relation to the goals and objectives of the Laurel Gateway Plan. Urban design elements will also be considered, including pedestrian emphasis, quality of design, and Laurel' personality.

6.2 Economic Stimulus

The amount of economic activity to be generated by the project is assessed, as well as the leverage ratio of public to private investment. Applications should contain credible, measurable information substantiating Applicant claims of economic stimulus.

6.3 Tax Generation

The increase in taxable value due to new construction & rehabilitation is estimated by the County Assessor's office or State Department of Revenue to determine tax increment generation.

6.4 Employment Generation

Total employment generated by the project assessed in terms of new permanent and part-time jobs, and construction jobs.

6.5 Elimination of Blight

The project's direct and indirect impact on the physical and fiscal deterioration within the Tax Increment Financing District and the community.

6.6 Special or Unique Opportunities

The extent to which the project represents a unique opportunity, meets a special need, or addresses specific LURA or community goals. The restoration of historic property or the provision of an unmet community need, are examples of special and unique opportunities.

6.7 Impact Assessment

The extent of both positive and negative environmental impacts, appropriateness of the project design, and impact on existing businesses or residents.

6.8 Financial Assistance

Other forms of financing available to the applicant, i.e. lender participation and state and federal grant monies, are examined to assess the need for TIF assistance.

6.9 Project Feasibility

A determination of feasibility is made on the strength of the Applicant's demonstration of market demand for the project as contained primarily on the pro forma and financing commitments.

6.10 Developer Ability to Perform

An assessment of the Applicant's capability to undertake the relative complexities of the project based on past performance on similar or comparable projects.

6.11 Timely Completion

The feasibility of completing the project according to the Applicant's project schedule.

6.12 Payment of Taxes

All property taxes, special improvement district assessments, and other assessments on the project property must be paid to date.

6.13 Disclaimer:

Neither the City of Laurel, the Laurel Urban Renewal Agency, nor their affiliates shall be responsible for the planning, design, or construction of improvements to property that is owned or leased by the applicant. No warranties or guarantees are expressed or implied by the description of, application for, or participation in the TIF District Grant Program. The applicant is advised to consult with licensed architects, engineers, or building contractors before proceeding with final plans or construction.