

City of Batavia Revolving Loan Fund - Grant Policy

July 9, 2019

Batavia is “All In” to reshape its urban core by embracing and celebrating its rich entrepreneurial history, fostering cultural appreciation and creating vibrant places for all to enjoy.

A City of Batavia Grant Fund has been established to promote economic development and provide grant funding for applicants to implement building improvements for commercial and mixed-use structures, as well as new builds. Infill and filling vacant and underutilized structures has been a common goal across many of Batavia’s planning documents including the Brownfield Opportunity Area (2015), The City’s Comprehensive Plan (2016) and the Downtown Revitalization Initiative (DRI) Investment Strategy (2018).

The City of Batavia Grant Fund will seek to make lasting building improvements, advance and clean-up blighted sites, and strengthen City economic development projects. The program is administered by the Batavia Development Corporation (BDC) with grant funding decisions approved by the City of Batavia Council.

Grant requests will be reviewed at time of application by the BDC Board of Directors at their next scheduled meeting and referred to City Council with grant description and score for the City’s next scheduled Conference Meeting. The City Manager will present the project to the Batavia City Council, and Council will vote to grant funds out of the Revolving Loan Fund (RLF).

RLF/Grant Fund Diversity

1. 1/3 of the total fund will be dedicated to small business revolving loans.
2. 2/3 of the total fund would be available for grant funding.
3. The BDC will annually review the balance of the fund and report to City Council.

Fund Capitalization

1. Original funds were defederalized from UDAG.
2. Capitalization will occur as other state and federal sources for municipal economic development are available such as CDBG funding.
3. Non-refundable application fees will be paid to the fund at time of receipt.

Eligible Activities

1. **Brownfield Opportunity Area (BOA)**- BOA sites (grants to advance BOA projects cap grant at \$200,000)
 - a. City Centre
 - b. Harvester Campus
 - c. Creek Park
 - d. Healthy Living Campus
 - e. Ellicott Station
2. **City Priority Economic Development**- The City of Batavia and/or BDC may request grant funds for initiatives that advance the economic health and wellbeing of the City, including but not limited to matching grant funds and funding grant applications.
3. **Building Improvements**- building improvements must have visual impact and façade work for rehabilitation or new build (grant of 40% of the total project cost will be considered with a cap at \$20,000 per project).

Building Improvement Grant Parameters

1. Projects must include visible façade improvements to property to be eligible.
2. Projects can be a rehabilitation of existing structures or new build.
3. Award can be granted up to \$20,000 (maximum), not to exceed 40% of the total building renovation project cost.
4. The funding is on a building-by-building basis and in-kind match is not eligible.
5. Costs incurred prior to the effective date of the grant agreement are not eligible for reimbursement and not eligible as a match.

Applicant Eligibility

For profit and non-religions not-for-profit organizations and individuals are eligible to apply after meeting the following conditions:

1. Property's within the designated target area of the BID/ DRI boundary, the BOA boundary, or in Ward 6 or 3 qualified Opportunity Zone census tracts will be granted preference.
2. Properties must be commercial or mixed-use (commercial & residential).
3. The applicant must be current on all municipal taxes including property, water and sewer and any other obligations to the municipalities such as loan payments.
4. The applicant will obtain a City of Batavia building permit prior to construction.
5. The applicant will have the ability to finance the entire project and submit for reimbursement to the City of Batavia when the project is complete.
6. No costs can be claimed against the City of Batavia Revolving Loan Fund, in advance of official project grant approval and executed grant agreement from the Batavia City Council.

Eligible Activities

Interior and exterior building renovations- including but not limited to:

1. Facades
2. Window/door repair and replacement
3. Painting
4. Masonry repair
5. Awnings
6. Building signs
7. Exterior lighting
8. Storefront upgrades
9. Roofs
10. Interior upgrades (heating, plumbing, electrical, walls, floors)
11. Soft costs including architectural and environmental costs

Project Scoring

The BDC Board will determine the impact that the project will have on the City of Batavia and specifically address the following:

1. **Readiness-** proposals should provide proof of readiness such as proof of ownership or lease agreement, documentation that 100% of the financing for the project is in place. P&L statements and lease-up documents can be provided at time of application to strengthen the application (up to 20 points).
2. **City Priorities-** projects that advance the priorities of Batavia including the DRI Investment Strategy, the BOA Strategy, and are located in either investment area, or in an Opportunity Zone Census Tract are eligible for additional points in this category (up to 20 points).
3. **Visual Impact-** projects that are visually prominent, have historic value, are in danger of being lost, in-part or totally to disrepair and damage (up to 20 points).
4. **Encourage Downtown Living-** projects that include renovation of upper floor residential units (up to 20 points).
5. **Economic Impact-** projects leveraging grant funds with private investment that with the assistance of grant funds, will reduce blight, contribute to the economic recovery of the City of Batavia, or realize a stabilization or expansion of the tax base, businesses and/or jobs (up to 20 points).

Soft Costs- no soft costs will be eligible for building improvement projects grant match.

Proof of Available Financing- proof of available financing through cash in bank (balance sheet), secured loan commitments, and project lines of credit is required.

Regulatory Requirements and Repayment Provisions- All assistance is in the form of a reimbursable grant with a five (5)-year compliance period. Property owners will be required to execute a Declaration document committing to this compliance period. Should the property owner sell the property within the five (5)-year timeframe, they will be responsible for repaying a portion of the grant funding received. Repayments will be retained by the City of Batavia and used for eligible economic development activities. Required repayment of grant funds will be calculated in accordance

with the following schedule:

Months 0-12:	100% repayment due.
Months 13-24:	80% repayment due.
Months 25-36:	60% repayment due.
Months 37-48:	40% repayment due.
Months 49-60:	20% repayment due.
Months 60 and beyond:	0% repayment due

Grants may be taxable under the Federal Tax Cut & Jobs Act of 2018. Project owners should consult with a business tax professional.

Payment Process

Project reimbursements are made when the project is complete. The City of Batavia Revolving Loan Fund Grant operates fully as a reimbursement grant program and the owner is responsible for paying for all agreed upon repairs. Payment of grant funds will be made only upon satisfactory completion of building projects and payment of renovation expenses.

1. No reimbursement shall be paid to the owner until final inspections and Certificate of Compliance/Occupancy has been issued by the City of Batavia.
2. All completed work shall comply with all applicable building codes and standards.
3. To substantiate work costs, Owners must provide the following:
 - a. written contracts
 - b. bank documents
 - c. copies of invoices for materials and labor
 - d. cancelled checks
 - e. lien releases
 - f. and any other documents deemed reasonably necessary by the City of Batavia/BDC to maintain effective internal controls.
4. Cash payments/cash receipts are not permitted and will not be reimbursed.
5. The payment of any amount(s) due and payable by the City of Batavia to a project owner, as a reimbursement pursuant to a grant agreement for work completed shall be payable within sixty (60) calendar days after all work is satisfactorily completed and sufficient supporting documentation is provided to the BDC and the City of Batavia.
6. Sales tax should not be included on the invoice as the City is exempt from sales tax and will not reimburse for sales tax.

Project Application - Applications will be made available online on the City of Batavia/ BDC website and by hard copy at City Hall, located at One Batavia City Centre, Batavia, NY 14020.

Application Fee

The applicant will provide the City of Batavia with a \$250 non-refundable application fee.

Design Standards

A design standards guide was issued in 2019 by the BDC, and should be referenced.

Conflict of Interest

Both the City of Batavia and the BDC's conflict of interest policy's will be followed in relation to granting of funds to building owners for improvements.