

**Lumber City Development Corporation
Commercial Property Improvement Program
Program Guidelines**

General Information

Through the NYS Downtown Revitalization Initiative (DRI), Lumber City Development Corporation was awarded \$530,000 in funding, provided on behalf of Homes and Community Renewal (HCR) and the Housing Trust Fund Corporation (HTFC) of New York State, to establish a Commercial Property Improvement Program (CPIP).

Purpose

The Commercial Property Improvement Program will establish a matching grant fund for interior and exterior building improvements within the DRI boundary to stimulate property upgrades and investments. The grant program will promote projects that include mixed-uses, create jobs, and advance community revitalization goals.

The Commercial Property Improvement Program has been developed to provide resources to stimulate investment and economic development through projects that align with the greater DRI Strategic Plan.

This flexible funding mechanism enables property and business owners to make major renovations, restorations, and improvements to existing retail and commercial properties within the DRI target area. It strives to improve the cohesive appearance and vitality of downtown through façade and signage improvements. Ultimately, a population of people downtown will help foster the revitalization of downtown through increased spending that will come from increased visitation around downtown businesses.

All assistance provided by the Commercial Property Improvement program is a reimbursable grant.

Target Area

All properties eligible for Commercial Property Improvement funding must be located within the defined DRI boundary as identified in attachment #1. Properties not located within the target area will not be eligible for funding.

Project Goals

- Improvements to the existing downtown environment
- Increasing the spending and visitation at downtown businesses
- Support business stabilization, growth, and public awareness
- Promote North Tonawanda's downtown as a business, arts, and tourism district

Public Outreach

To ensure the success of the Commercial Property Improvement Program, LCDC will conduct outreach to the public, in order to make property and business owners aware of the availability of financial assistance including:

Program informational materials that describe the funds available, program requirements, and eligible activities. These materials will be distributed to property and business owners in the DRI boundary and will be made available on the LCDC's website.

Press releases and announcements that advertise the program via, community organizations, websites, and social media.

Informational Meeting

An in-person informational meeting and Q&A Session will be held on **Thursday, June 8th 2023 at 4:00 PM** the LCDC Offices, located at 500 Wheatfield Street North Tonawanda, NY 14120

Instruction and Applications

Instructions and Applications for the Commercial Property Improvement Program can be found in Attachment # 3 of this document, and will be available in hard-copy format at Lumber City Development Corporation's offices, 500 Wheatfield Street North Tonawanda, NY 14120. Digital versions will be posted online on the City's website and LCDC website.

LCDC will be available during normal business hours to field questions and assist interested candidates.

Eligibility

Lumber City Development Corporation will offer funding assistance to eligible projects that enhance and strengthen the vibrancy of the Downtown Revitalization Initiative area both physically, socially, and economically.

Eligible Applicants

Eligible applicants include owners of commercial buildings and/or businesses within the DRI boundary. All applicants must be non-delinquent in City tax or utility payments to qualify for funding. The property to benefit from funding must be free from outstanding code violations with the City of North Tonawanda, or demonstrate in the application that the property will be in compliance by the end of the project.

Applicants for Commercial Property Improvement Program funds include:

- Individuals
- For-profit entities
- Organizations incorporated under the NYS Not-For-Profit Corporation Law
- Social Organizations and Community Clubs (must be open to the public and not just members in order to be eligible to apply)

Eligible Projects

All project activities that are eligible for Commercial Property Improvement Program assistance must be located within the DRI boundary and must conform to program Design Guidelines and all LCDC guidelines and regulations.

Eligible construction improvements are determined by the LCDC's consultant architect, who will meet with the applicant to discuss the possible renovations. However, it should be noted that priorities for the improvements are as follows: exterior renovations, structural improvements, signage, lighting, windows, doors, painting, siding, entryways, ADA Accessibility, interior improvements linked to an exterior improvement, etc.

Soft Costs:

- Eligible soft costs include Architecture, Engineering, and Environmental Testing expenses.
- Soft costs require matching funds, and in-kind match is not eligible.
- Soft costs incurred for work on buildings that eventually prove infeasible and do not receive other investments will not be reimbursed with DRI funds. Therefore, reimbursements for soft costs may not be requested as part of a partial payment prior to project completion.

All appropriate permits and approvals, site-specific environmental review, and SHPO review, as required for work on all building projects, must be complete for eligible activities prior to the start of a building renovation project.

Ineligible Projects

Ineligible projects for funding by the Commercial Property Improvement Program include but are not limited to:

- Acquisition costs
- New construction (including in-fill buildings) without a building renovation component;
- Demolition of an entire structure;
- Improvements to structures owned by religious or private membership-based organizations;
- Improvements to municipally owned and municipally operated buildings;
- Furnishings, appliances, electronics, tools, disposable supplies, business equipment, and non-permanent fixtures;
- Purchase of sales inventory;
- Projects that are inconsistent with the objectives and priorities of the City of North Tonawanda's DRI Strategic Investment Plan.

Funds **may not** be used for site work or ancillary activities on a property including but not limited to: septic systems/laterals, grading, parking lots, sidewalks, patios, decks, garages, sheds, landscaping, fences, free standing signs, general maintenance or repairs.

Financing Structure

Program Funds Overview

Lumber City Development Corporation will make grants available for eligible projects. Grant funds will be awarded based on project alignment with the goals of the DRI Strategic Investment Plan (available on New York State's website at (<https://www.ny.gov/sites/default/files/2022->

[12/North_Tonawanda_DRI_Strategic_Investment_Plan.pdf](#)), funding needs, and LCDC's underwriting criteria. A Participant Grant Agreement will be executed between LCDC and the Recipient that includes the terms, period and conditions.

Funding Availability

The Lumber City Development Corporation (LCDC) has been approved for \$530,000 under the Commercial Property Improvement program funded by the NYS Office of Homes & Community Renewal.

Grants can range from \$15,000 - \$50,000, and will assist with 80% of the total project cost- depending on the extent of the renovation and the feasibility of the project. These grants must be matched by 20% of total project cost by the applicant. In-kind match is not eligible.

Example Budget:

Commercial Property Improvement Program Funds (80% of total project cost)	\$40,000
Match Requirement (Minimum of 20%)	\$10,000
Total Project Cost:	\$50,000

This program operates fully as a reimbursement grant program and the owner is responsible for paying for all agreed upon improvements. Reimbursement of grant funds will be made only upon satisfactory completion of the items in the approved scope of work and payment of renovation expenses. Evidence of financing must be provided with the application and can include proof of available financing through cash in the bank, secured loan commitments, and/or project lines of credit.

No reimbursement shall be paid to the owner until inspections of the work have been completed by the LCDC or its representative. All completed work shall comply with applicable building codes and standards. Projects that have already been completed, or currently under construction are not eligible.

Reimbursement of paid invoices will be made by check payable to the grantee.

LCDC Staff will review and approve payment requests prior to the submission to New York State. Payments of program funds will be made to grantees or vendors after LCDC submits the draw requests to and receives funds from the State.

To substantiate work costs, grantees must provide written contracts, bank documents, copies of invoices for materials and labor, cancelled checks, lien releases, and any other documents

deemed necessary by LCDC or required by HTFC to maintain effective internal controls. Cash payments will not be reimbursed.

Funds will be scored and awarded on a competitive basis.

Costs incurred prior to the effective date of the grant agreement are not eligible for reimbursement and not eligible as a match.

Underwriting Criteria for Financing

Lumber City Development Corporation will ensure that applicants and activities that are eligible for the Commercial Property Improvement Program meet the following underwriting criteria:

- Project costs are reasonable (confirm estimates provided from credible source);
- All sources of project financing are committed (letters of commitment and/or proof of financing);
- The project development team has relevant experience and capacity to complete the project in a timely manner;
- The applicant's City of North Tonawanda taxes and fees (taxes, water, sewer, other) are current.
- No outstanding code violations on any owned properties within the City of North Tonawanda for the applicant and property owner, if property owner is different from the applicant.

To ensure that projects meet these underwriting criteria, the following items must be submitted for all applicants for the Commercial Property Improvement Program:

- Proof of adequate insurance on the property, with Lumber City Development Corporation listed as additional insured.
- For Tenants completing leasehold improvements, written consent for the proposed project from the property owner;
- Sources and uses budget.

Regulatory Requirements and Repayment Provisions

The applicant will agree to abide by the terms and conditions set forth in the Commercial Property Improvement fund documents:

The applicant will comply with the program Conflict of Interest Policy

The projects will comply with the 5-year regulatory terms and conditions:

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

Regulatory term requires property owners to maintain the property and improvements for the regulatory period. The regulatory period also requires that property and/or business owners own/operate the property or business for the duration of the regulatory period. Repayment of grant funds would be required if projects fall out of compliance with the regulatory terms. The regulatory terms and conditions cannot be transferred during the term.

Compliance with Local Regulations

All façade improvements assisted under this program must be implemented in compliance with all local, state, and federal regulations. If a building permit is required, the owner is responsible for securing the permit.

All façade improvements located within the Downtown Historic Preservation District will be required to secure an approval from the City of North Tonawanda Historic Preservation Committee.

Application Process

The Applicant must first submit an LCDC program application along with evidence of property ownership (deed), proof of financing, and one cost estimates from a licensed and insured contractor.

Applications are due NO LATER than 4:00 PM on JULY 17th, 2023

Applications that are incomplete or missing attachments will not be a priority.

Applications can be hand delivered to:

Lumber City Development Corporation
500 Wheatfield Street
North Tonawanda, NY 14120

OR via email to: LWilson@lumbercitydc.com

Application Review Process

Upon receipt of applications, LCDC staff will review the submitted application for completeness and recommendation to the project selection committee.

Applications deemed complete will be submitted to the LCDC Projects Review Committee for review, selection and determination of grant amounts.

The LCDC Projects Review Committee will then discuss each application and score it based on the criteria of the program. Scoring will be based on the following objectives: (See Attachment #2)

- Readiness- projects that provide proof of overall feasibility and readiness such as proof of ownership, documentation that 100% of the financing for the project is in place, and a reasonable construction timeline (20 points)
- Physical Impact- projects that are visibly prominent, have historic value, are in danger of being lost, bring existing properties into compliance with design guidelines, that are transformational beyond normal maintenance (20 points)
- Economic Impact- projects leveraging grant funds with private investment that with the assistance of grant funds will reduce blight and vacancies, contribute to the economic recovery of the target area, or realize a stabilization or expansion of downtown tax base, businesses and/or jobs (20 points)
- Quality of Life- projects that include energy efficiency or accessibility improvements (20 points)
- DRI Priorities- Projects that advance the goals and priorities of the DRI Strategic Investment Plan (20 Points)

DRI Strategic Investment Plan can be found at the following link:

https://www.ny.gov/sites/default/files/2022-12/North_Tonawanda_DRI_Strategic_Investment_Plan.pdf

The LCDC project review committee will then implement the project selection process and generate funding decisions.

There will be an initial round of request for applications. If there are remaining funds after the initial round, a second round, and so on, will take place until the remaining funds are exhausted or the state contract is expired, whichever comes first.

Funding Determination

LCDC will advise applicants on the disposition of an application within 30 business days of approval from HTFC.. The applicant will have 30 days to execute the Participant Grant Agreement with LCDC.

Participant Grant Agreement

The grantee will enter into a Participant Grant Agreement with LCDC that includes program requirements, funding amounts and terms, and the contract period. The agreement will outline the roles and responsibilities for both LCDC and the grantee and will specify the following:

- Agreed upon scope of work;
- Projected amount of financial assistance awarded;
- Estimated project timeline;
- Regulatory term or repayment provisions (repayment only, NO transfer of liens, property maintenance declaration on file);
- Requirement to sign a photo release form permitting LCDC and HTFC to use photographs of the assisted business or property;
- Requirement to engage a contractor and begin activities within 30 days of formal approval by LCDC;
- Reimbursement structure and timing;
- LCDC has the right to inspect work at any time;
- Completion of the project within six (6) months of contract execution with LCDC;
- Requirement to put a temporary project sign at the property.

LCDC may terminate the award and cancel the contract should the work or purchases be inconsistent with the program rules outlines, agreed upon scope of work or project design, stated timeline or if insurance is not maintained by the participating contractor.

Project Development

Environmental Review

Prior to the commitment or expenditure of program funds, the environmental effects of each activity will be assessed in accordance with the State Environmental Quality Review Act (SEQR). LCDC will submit all required environmental review paperwork per the requirements

outlined in the HTFC Environmental Compliance Handbook. No work can begin until New York State approves the Environmental Review. Applicant assumes the responsibility of the fees associated with the Environmental Review process.

Scope of Work

Once a project application has been formally approved for a DRI Commercial Property Improvement program award, LCDC will meet with the property owner to develop the formal project scope of work and explain program requirements related to design guidelines, environmental review and hazards, and energy efficiency.

A formal written scope of work or description of the use of funds is required. The scope of work for a participating renovation project **MUST** address the following items:

- Immediate health and safety concerns;
- The correction of existing code violations;
- Environmental hazards;
- Installation of energy conservation measures;
- Accessibility for persons with disabilities;
- Consistency with program design guidelines, and any other local program design guidelines;
- Preservation of historical elements of the building.

Both the City and the property owner will sign off on the formal scope of work.

Procurement

LCDC will solicit qualified firms to be included on a list of available architectural and construction firms who are interested in the program. This list will be made available to the program applicants in order to assist applicants who might not have the knowledge or skills to design and scope the proposed projects. This list will also identify the NYS registered Minority/Women-Owned Business (MWBEs) who are interested in providing services for the program.

The contractor selection process will be consistent with the developed procurement policy and conflict of interest policy addressed herein.

There is a **30% utilization goal** for MWBEs for each project. If MWBE goals cannot be met, applicants need to evidence a good faith effort.

The list is for information only and interested applicants would need to contract with the firms directly for their services.

A minimum of two (2) bids or proposals must be obtained for all renovation, administration or professional service activities. LCDC will review these to establish the reasonableness of project costs.

The written scope of work (see above) must be the basis for the bids. All bidders must have equal access to relevant information, including information on the property itself. The bids must

be submitted directly to LCDC by the contractor. LCDC will advise the property owner of the acceptability of the bids/proposed cost. If the property owner chooses other than the lowest bidder reimbursement will be based on the amount of the lowest bid.

Conflicts of Interest

Perceived or actual conflicts of interest may arise when certain individuals have access to inside information regarding the award of a contract or property assistance. A contractor cannot receive DRI funds for work done on property that he or she owns, or a property that is owned by an immediate family member. Prior to commencing a project where there is a possible conflict of interest, LCDC will review the eligible work items with HTFC staff.

EEO & MWBE Requirements for All Projects

Lumber City Development Corporation will comply with Articles 15-A and 17-B of the New York State Executive Law. These requirements include equal employment opportunities for minority group members and women (“EEO”), and contracting opportunities for certified minority and women-owned business enterprises (“MWBEs”) and Service-Disabled Veteran-Owned Businesses (“SDVOBs”). DRI Community’s demonstration of “good faith efforts” pursuant to 5 NYCRR §142.8 shall be part of these requirements.

Please visit NYS Empire State Development’s Division of Minority & Women Business Development website for a directory of certified Minority and Women-Owned Businesses.

<http://www.esd.ny.gov/MWBE.html>

LCDC will submit a Contractor Bid Solicitation Plan with the grant agreement. This Plan will identify a minimum of four certified MWBE firms that will be included in the bid solicitation process. Once the contractor/vendor selection process is complete, LCDC will report to HTFC on the use of certified MWBE firms.

Construction Management/Quality Control

LCDC retains the right to inspect or audit work in progress at any point. LCDC will perform periodic inspections of renovation activities to monitor adherence with program rules, environmental hazard compliance, and general project progress. A final inspection or review of project activities will be conducted for each participating project.

Conflict of Interest

At a minimum: It is required that no employee, officer, or agent may participate in the selection, award, or administration of a contract supported by Commercial Property Improvement Program funding if a real or apparent conflict of interest would be involved. Such a conflict would arise when any of the following parties has a financial or other interest in the project selected for an award:

- An employee, officer, or agent;
- Any member of an employee’s, officer’s, or agent’s immediate family (spouse, son, daughter, stepson, stepdaughter, father, mother, stepfather, stepmother, brother, sister, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law or daughter-in-law);

- An employee's, agent's, or officer's partner; or
- An organization which employs or is about to employ and of those in the preceding section.

It is required that employees, agents, and officers of the program neither solicit nor accept gratuities, favors, or anything of value from contractors, or parties to sub-agreements. However, awardees and other subrecipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. Disciplinary actions will be applied for any violations of such standards by employees, agents, or officers of the program.

The general standard is that no employee, agent, or officer, who exercises decision-making responsibility with respect to the program is allowed to obtain a financial interest in or benefit from the program activities, or have a financial interest in any contract, subcontract, or agreement regarding those activities or in the proceeds of the activities. Specific provisions include that:

This requirement applies to any person who is an employee, agent, consultant, officer, or elected official of the grantee, a designated public agency, or a subrecipient, and to their immediate family members, and business partner(s).

The requirement applies for such persons during their tenure and for a period of 1 year after leaving the grantee or subrecipient organization.

Upon written request, exceptions may be granted by HCR on a case-by-case basis, after consideration of the cumulative effect of various factors, and only with full disclosure of the potential conflict, and a legal opinion of the grantee's attorney that there would be no violation of state or local laws in granting the exception. Exceptions cannot be made retroactively.

ATTACHMENT 1: TARGET AREA MAP



Figure #3: Downtown Revitalization Initiative Area

ATTACHMENT # 2- SCORING RUBRIC

Applicant Name: _____

Project Address: _____

Scoring Item:	Score:
Project Readiness- Projects that provide proof of overall feasibility and readiness such as proof of ownership, documentation that 100% of financing is in place, and a reasonable construction timeline (Up to 20 Points)	
Physical Impact- projects that are visibly prominent, have historic value, are in danger of being lost, bring existing properties into compliance with design guidelines, that are transformational beyond normal maintenance (20 points)	
Economic Impact- projects leveraging grant funds with private investment that with the assistance of grant funds will reduce blight and vacancies, contribute to the economic recovery of the target area, or realize a stabilization or expansion of downtown tax base, businesses and/or jobs (20 points)	
Quality of Life- projects that include energy efficiency or accessibility improvements (20 points)	
DRI Priorities- Projects that advance the goals and priorities of the DRI Strategic Investment Plan (20 Points)	
TOTAL SCORE:	

ATTACHMENT # 3- PROGRAM APPLICATION

Application:

**Lumber City Development Corporation
Downtown Revitalization Initiative
Commercial Property Improvement Program**

**INCOMPLETE APPLICATIONS, APPLICATIONS WITH INCOMPLETE RESPONSES OR APPLICATIONS WITHOUT
REQUIRED ATTACHMENTS WILL NOT BE A PRIORITY**

APPLICANT INFORMATION:

Applicant's Name: _____

Please Circle if you are a: **Business owner** or **Property Owner**

Business Owners, list the name of your business: _____

Applicant's Address: _____

Applicant's Phone Number: _____ **Email Address:** _____

** If you are business owner, you must include a signed letter from the property owner giving permission to do the project with this application **

PROPERTY INFORMATION (If Different than above):

Property Owner(s) Name: _____

Property Address: _____

Owner's Phone: _____ **Email Address:** _____

Section, Block and Lot Number of Property (SBL): _____

Are there any other owners listed on the current deed: ___ YES or ___ NO

Is there a mortgage? ___ YES or ___ NO

If Yes, who holds the mortgage? _____

If Yes, Who Holds the Mortgage? Name: _____ Address: _____

If Yes, Are payments current? YES or NO

Are there any other liens on the property? YES or NO

If Yes, please describe: _____

Provide a copy of the property deed with your application

TAXES and CITY SERVICES:

Are Property Taxes paid to date? YES or NO

Are Water Charges paid to date? YES or NO

Do you own any other property in N. Tonawanda? YES or NO

If yes, address _____

LCDC will verify that all taxes and sewer/water charges are current on properties in North Tonawanda owned wholly or in part by the Applicant(s) before the construction contract is signed.

PROPERTY INSURANCE:

Is property insurance paid to date? YES or NO

Provide documentation of current fire/hazard/liability insurance, with Lumber City Development Corporation listed as additional insured

PROJECT DESCRIPTION:

Please check which types of Project(s) you are proposing: (Circle):

- Façade Improvement (Preservation projects, masonry work, painting, awnings, signage etc.)
- Structural Improvement (Roof repair, correct code violations, foundation, etc.)
- Interior Improvement (plaster, paint, HVAC, plumbing, electric, commercial expansion etc.)
- Other

Please Describe Proposed Work in Detail. Use Additional Sheets if Necessary:

Estimated Total Project Cost: \$ _____

Amount of Grant Funding Requested: \$ _____

(Grant requests may be between \$15,000 - \$50,000, with a 20% required match amount on the total project cost)

Have you received a cost estimate from a reputable contractor to verify project costs?

__YES or__ NO

(1 cost estimate from a licensed and insured contractor is required to be submitted)

If yes, please provide name of contractor: _____

If yes, please provide the date the cost estimate was obtained:_____

** For approved projects, per NYS grant requirements, LCDC will conduct all contractor bidding, contractor reviews, and selection, and have final approval on design and scope of work for all projects**

If your project is selected for funding, do you agree to the 20% match requirement?

__YES or __NO

(Example: \$10,000 (20%) owner investment is required for \$40,000 grant, for a \$50,000 total project cost)

Have you applied for a Building Permit for this project __YES or __NO

If yes, provide a copy

If the Applicant(s) has/have a business relationship with or is/are related by blood or marriage to a Lumber City Development employee of Board Member, please describe the nature of the relationship. Lumber City Development will determine if a conflict of interest exists.

Certifications:

I certify that all of the information, statements, and representations contained in this application, and in all attachments and supporting material are, to the best of my belief true, accurate and complete.

I acknowledge that all appropriate permits, materials, site specific environmental review, and State Historic Preservation Office (SHPO) review, as required for historic buildings, must be complete for eligible activities prior to the start of construction.

I acknowledge that, as part of the evaluation process, LCDC or its representatives will conduct a site visit to this property and may need access to the interior or exterior of the building.

I acknowledge that, costs incurred for work on buildings that eventually prove infeasible and do not receive other investments will not be reimbursed with DRI funds, therefore reimbursements for soft costs may not be requested as part of a partial payment prior to project completion.

I certify that there are no outstanding code violations on any owned properties within the City of North Tonawanda for the applicant and the property owner, if property owner is different than the applicant.

I acknowledge that, all costs are provided on a reimbursement basis and will not be paid until project completion.

Signature

Printed Name

Date

Signature

Printed Name

Date

Please refer to the attachment checklist on the following page to ensure you attach all necessary and required documentation to this completed application. Please refer to the Program Guidelines document for program rules and requirements.

APPLICATIONS MUST BE SUBMITTED BY: 4:00 PM on JULY 17th, 2023
SUBMIT COMPLETED APPLICATIONS TO:

**Laura Wilson, Executive Director
Lumber City Development Corporation
500 Wheatfield Street North Tonawanda, NY 14120
Phone- 716-695-8580 or VIA Email- LWilson@lumercitydc.com**

REQUIRED ATTACHMENT LIST:

- _____ Application form completed & signed
- _____ Letter from property owner (if applicable)
- _____ Copy of the deed to the property (or abstract)
- _____ 1 Cost Estimate from licensed and insured contractors able to perform work in the City of North Tonawanda
- _____ Documentation of current fire/hazard/liability insurance
- _____ Evidence of financing (Bank commitment letter, line of credit, bank statements, etc.)
- _____ Architectural designs or renderings (*if available*)
- _____ Building Permit (*if available*)