

Urban Renewal District

Tax Increment Finance District Grant: Application Guidelines

(Approved; Polson City Commission – 8/1/2022)

A. Mission & Objectives

Important: The material included below outlines the Polson Urban Renewal District's Tax Increment Financing Grant application process. Please review this information carefully before submitting applications to the City of Polson.

The Polson Redevelopment Agency (PRA) is an advisory board to the City Commission and was created by the City Commission to assist in the administration and implementation of urban renewal, tax increment financing (TIF), and other districts created pursuant to 7-15-42 and 43 MCA. The urban renewal district was created by the Polson City Council as established and authorized under Resolution No. 739.

Polson's Urban Renewal Plan includes a provision to use Tax Increment Financing (TIF) as a source for funding redevelopment activities within the Urban Renewal District. Using TIF funds, the PRA partners with public and private entities to help improve economic vitality, create jobs, ameliorate blight, and encourage investment in the district. It will also maintain the distinct historic character established by the existing architecture in the Central Business District through the protection and restoration of historically and architecturally significant buildings so as to ensure the retention of the community's small-town charm and the prevention of physical blight. This will be achieved by the utilization and/or update of existing Design Review Guidelines/Standards, as well as through addressing current physical decay.

B. Eligible Areas

The original resolution designated four priority areas in the City of Polson as blighted: Salish Point, the Central Business District, the Railyard, and the adjacent Residential and Commercial/Light Industrial areas. (See the Urban Renewal District Map to determine if your project is within the district boundaries.)

C. Eligibility and Requirements

1. Eligible applicants include the building owner of record or building tenant under lease with written, signed approval of the building owner.
2. Projects must be within the boundaries of the Urban Renewal District.
3. All financial obligations to the local government must be paid (property taxes, etc.).
4. All government required building permits, license, and inspection must be obtained before the beginning of the project. City staff will verify the permits through the proper departments.
5. Two bids or estimates are required for all contractor/vendor provided services. If an architect is hired, the PRA will

also consider an architect estimate. Usage of local contractors/vendors is encouraged. The PRA and/or City Commission may waive this requirement if the Applicant can prove hardship in acquiring two bids.

6. No project work that is funded by the City's Tax Increment Financing Program can begin until after the grant is approved and a contract is signed by both the applicant and the City's representatives.

7. All projects must be completed within an agreed upon timeframe. Failure to complete a project within this timeframe, to secure a City Commission- approved extension, or to meet the contract required criteria and work could result in funding reverting back to the Tax Increment Finance program.

8. Project applicants must be able to show how they will finance the proposed project, including a clear demonstration of how the required grant match will be satisfied.

9. Applications are required to be submitted two weeks prior to the next scheduled PRA Meeting to be considered for inclusion in that meeting's agenda.

D. Eligible Activities

The intent of these activities is to enhance neighborhoods and commercial areas thereby increasing the quality of life – and value of property – throughout the district. The PRA may consider the following activities to award TIF funding for either rehabilitation of an existing structure or new construction:

1. Exterior Repainting: Surfaces that have never been painted will be reviewed on an individual basis.
2. Parapet Wall Repair
3. Restoration of Architectural Features
4. Awnings
5. Entry Door/ Window Improvements
6. Repair of sidewall or stucco
7. Professional building design/engineering (PAR/PER)
8. Signage
9. Improvements such as parking lots (private or public), sidewalks, etc.
10. Code improvements necessary to bring a building up to code or to expand the functionality or value of an existing building such as utilities or fire egress.
11. Exterior energy improvements such as energy saving resources such as windows, solar panels, lighting, etc., can be utilized to match private and/or grant monies.
12. Roof repair and foundation work
13. Metal siding as a primary material for exterior walls and/or façades.
14. Demolition/Structure Removal is an allowable activity (Infrastructure Improvements) but will be reviewed by the PRA Board on a case-by-case scenario.
15. Unless explicitly noted in the Ineligible Activities section of this Guideline, project proposals can be submitted for review. However, the aforementioned eligible activities will receive priority during application review.

E. Ineligible Activities

1. Vinyl siding over repairable surfaces as a primary material.
2. Activities not explicitly stated in the list of eligible activities
3. Reimbursement of projects started prior to City Commission approval.
4. Personal cost of project management such as travel and living expenses.

F. Project Criteria

Overall, projects receiving grant funds through this program should improve the aesthetic, function, and quality of life within the Tax Increment Finance District (TIFD). However, the PRA Board recognizes the need to balance construction of new facilities/improvements with efforts that preserve, protect, and prevent harm to existing structures so as to maintain the unique character and history of Polson.

Projects must address any of the following criteria as identified in the Consider the Possibilities for Polson! -- Polson's Redevelopment Plan:

1. Reduce blight within the Urban Renewal area
2. Rehabilitation within the Urban Renewal area
3. Redevelopment within the Urban Renewal area
4. Create jobs
5. Improve wages
6. Improve the quality of life for Polson's residents
7. Enhance the City's attractive location
8. Create an urban design and landscaping plan which incorporates the waterfront from Riverside Park, around the City docks and KwaTaqNuk resort to Lakeview Village
9. Establish an easily accessible core area for recreation, shopping, enjoyment of the arts, and access to services
10. Create attractive pedestrian and bicycle pathways supported by access to parking for cars, bicycles, and recreational vehicles
11. Clean up and develop areas
12. Enhance the tax base for the City
13. Previous TIF Grants must be completed prior to applying for additional funding.

G. Criteria for Matching Funds and Maximum Requests

All TIF grants are required to meet match requirements and request maximums as displayed in Figure 1. Projects that do not meet the match requirements may not be fully funded. (The PRA reserves the right to recommend amendments to the funding mechanisms.)

Notes: 1) Micro grants can only be used for necessary code improvement activities.

2) Funding may include technical assistance, design and permitting costs.

H. Multiple Applications – Same Project

Multiple applications may be submitted for the same structure rehabilitation/construction if a phased approach is preferable to the owner/applicant. However, the same project is limited to receipt of the eligible grant category maximums, and total award maximum (\$43,000) on a one-time basis every 10 years.

FIGURE 1. Grant Categories, Match, and Funding

PROJECT CATEGORY (eligible activities only)	REQUIRED MATCH	MAXIMUM CATEGORY REQUEST	MAXIMUM TOTAL GRANT AWARD	
Micro-Grant Funding (limited to <u>required</u> code upgrades)	50%	\$7,500	\$7,500	Micro Grant Only
Project Scale Category Funding				
Façade	50%	\$15,000		
Infrastructure (e.g. accessing external utilities, sidewalks, etc.)	50%	10,500		
Structural (required code improvements, roof repair, energy improvements, foundation work, etc.)	50%	10,500		
Technical Assistance (PAR, PER, professional design, permitting fees)	50%	\$7,500		
	\$21,750		\$43,500	Project Scale Grant Only
Large Scale Category Funding				
Façade	90%	\$56,000		
Infrastructure (e.g. accessing external utilities, sidewalks, etc.)	90%	\$38,400		
Structural (required code improvements, roof repair, energy improvements, foundation work, etc.)	90%	\$38,400		
Technical Assistance (PAR, PER, professional design, permitting fees)	90%	\$27,200		
Large Scale Projects	\$144,000		\$160,000	Large Scale Grant Only

I. Application and Approval Process

The following is a summary of the PRA Urban Renewal Grant Program application review and approval process. Please note that the PRA will review applications monthly until appropriated funds have been exhausted each year.

1. Initial Contact (optional, but recommended). Contact the Community Development Department to discuss the project and determine eligibility. Phone 406-883-8200.

2. Prepare a Written Application. The application can be downloaded at; <https://www.cityofpolson.com/bc-pra/page/polson-redevelopment-agency-funding-program>. The Applicant must prepare a written application for funding. An addendum is required that will describe the project. This will be on a separate sheet of paper and provides a full written description of your project, including type of use, square footage, number of stories, number of parking spaces, general building materials, etc. Please indicate if the items are existing or new construction. The City's Community Development Department will also assist the applicant in identifying program eligibility and determining what, if any supplemental information will be needed.

3. Submit your application to the City of Polson – Community Development Department <https://www.cityofpolson.com/commdev>.

5. The Community Development Department will review the application for completeness, and return to the applicant for any additional information or clarification.

6. The Community Development Department will with a “recommendation for approval” send the application to the Polson PRA for official review, or in the case of a “not recommended for approval” notify the applicant that their application lacks the required information needed for approval by the PRA and the City Commission.

6A. If the application is returned to the applicant, the applicant may resubmit the application after amending the application to address the items identified.

6B. If the application is sent to the PRA, the Polson Redevelopment Agency will review the merits of the project in meeting the goals of the program. At any point in the review process the PRA may request more information of the Applicant or solicit comment on the project from other public agencies. Items included in personal financial statements or other proprietary information will not be subject to public review or presentation to or comment by other agencies. Upon completion of the review, the PRA will provide their recommendation for the City Commission to the City Manager.

7. The City Manager will:

- A. If the application is for a “Micro Grant” only, have a Development Agreement prepared and executed with the applicant. Such ‘micro grant’ approvals, by the City Manager, will be limited to total budget authority previously granted through the annual budget process.
- B. If the application is for a Full Project Grant, schedule the application approval for the next scheduled City Commission Meeting and provide the application to the Commissioners.

9. City Commission Review and Approval. The City of Polson City Commissioners will review the project and PRA recommendation. The City Commission issues approval/disapproval of the funding request or any part thereof, and any special terms of program assistance. If approved, a Development Agreement will be executed. If not approved, the City Commission will provide the applicant of the reason for not approving and the City manager will notify the applicant of the City’s decision and the reason why it was not approved.

10. The applicant may address the identified issues and start the process over again.

11. Development Agreement. The City of Polson and the Applicant must execute a legally binding Development Agreement which establishes the terms and conditions of the program assistance. Among the terms and conditions, the Agreement shall specify the schedule for the start and completion of the project and may require the Applicant to guarantee repayment of program assistance if the terms of the Agreement are violated by the Applicant. In the event of the need for an extension of the project timeline, an official request to extend the timeline on the applicants Development Agreement is required. This request must be made to the City Manager and include a revised schedule.

12. Payments to Developer. Payment to the Developer will be made upon completion of the grant project, as outlined in the Development Agreement. Final grant payment requirements:

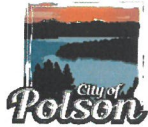
- On-site inspection, by City staff, to verify that all grant project specific work has been completed.
- Satisfactory evidence that the work has been paid for, in the form of a lien waiver document.
- Completed and signed IRS Form 1099
- Copies of all project related receipts that demonstrate the expenditure of funds as specified in the grant application and Development Agreement.
- Presentation of a brief written report to the Polson City Commission discussing the project.

**TIFD PROJECT BUDGET AND
COST ELIGIBILITY WORKSHEET**

TIFD Grant Application - Bubba Jones
Staff Review (Meece) - 6/27/2022; Updated 7/28/22

**SAMPLE STAFF FUNDING SHEET WITH PROPOSED
(NEW) CATEGORY FUNDING MAXIMUMS**

Project Element	Façade Improvements	Infrastructure Improvements	Structural Improvements	Technical Assistance	Comments		
		(ex. accessing external utilities, sidewalks)	(ex. code improvements, roof repair, energy improvements, foundation work)	(PAR, PER, etc.)			
Exterior Painting	\$ 6,250.00						
Parapet Wall Repair							
Restore Architectural Features							
Awnings							
Entry Door/Windows	\$ -						
Repair of Siding or Stucco							
Signage							
Sidewalk Repair		\$ -					
Water/Sewer Service		\$ 7,500.00				New Sewer Service Line Installation	
Roof Repair			\$ -				
Foundation Repair							
Required Code Improvements (plumbing, electrical, etc.)			\$ -				
Demolition							
Professional Design or Engineering Fees				\$ 400.00		Permit Costs	
						\$ -	Total Ineligible Costs
Other:							
SUBTOTAL	\$ 6,250.00	\$ 7,500.00	\$ -	\$ 400.00		\$ 14,150.00	Total Eligible Costs
	(Max. \$15,000)	(Max. \$10,500)	(Max. \$10,500)	(Max. \$7500)		\$ -	Total Ineligible Costs
Grant Eligible Funding	\$ 6,250.00	\$ 7,500.00	\$ -	\$ 400.00		\$ 14,150.00	Total Project Costs
GRAND TOTAL Grant Eligible Funding	\$ 14,150.00		Full Funding Match Requirement =	\$ 7,075.00			
	(Max. \$43,500 with at least 50% match)						
Ineligible Activities: Vinyl siding over repairable surfaces as a primary material; Reimbursement of projects started prior to City Commission approval; Personal cost of project management such as							



Polson Redevelopment Agency
Tax Increment Finance District – Grant Application

Applicant Name: _____ Business: _____

Project Address (Grant) _____ Polson, Montana, 59860

Project Legal Description _____

Applicant/Business Address _____

Applicant/Phone _____ Applicant E-Mail _____

Business' Federal ID Number _____

Type of Entity: For Profit Business Non-Profit Governmental Agency Private Individual

Are property taxes paid current for the property and buildings that are the subject of this application? _____

Total Annual Property Taxes: \$ _____

Is Applicant the Property Owner? _____ If not, a letter from property owner agreeing to terms of grant is required.

Project Start Date: _____ Project Completion Date: _____

Total Cost of Project: \$ _____

Total Grant Requested: \$ _____ (at least 50% matched by Applicant)

Micro-Grant (<\$7500; CM Approval) Full Grant (>\$7500; PRA recomm. & City Commission Approval)

Has Applicant previously received TIFD funding? When and What Project? _____

Briefly describe how the project will be financed _____

Will there be any new full or part-time jobs created as a result of this project, excluding contractor(s)? _____

TO BE ATTACHED TO THIS COVER SHEET

- Description of all work to be done, the purpose of these improvements, and how this project addresses the goals of the Tax Increment Finance District (provided).
- Project budget pages (provided)
- Drawings or pictures that demonstrate project and need.
- Proof of insurance on the subject buildings/property
- Two (2) bids for all professional services
- Contact information for three references who attest to Applicant's ability to complete project.

To the best of my knowledge, the information provided herein, and attached documents, are true and correct.

Applicant Name: _____

Signature: _____ Date: _____