

City of Fairview

Urban Renewal Agency

Tenant Improvement Matching Grant Program

About Program

The Fairview Urban Renewal Agency is sponsoring a Tenant Improvement Grant Program (Program) to remove barriers for commercial business and non-profit organizations to open, expand or improve within the **Program Area**—generally in commercial-mixed use areas of Fairview Village, the Halsey Corridor and along Sandy Boulevard in the City of Fairview. Please contact the Community Development Department to verify that the business location falls within the Program Area.

Matching Grant Funds

- The Fairview Urban Renewal Agency will match **up to \$50,000** of the total project cost in funding for tenant improvements.
- Matching funds can come from the property owner, business owner, or a mix of both.
- Funds are subject to budget availability. The program will close for the fiscal year if all funds are awarded and will re-open subject to funding the next fiscal year (July 1).
- **Funds are distributed after the work is completed** – either on a reimbursement basis or direct payment to contractors.
- Grants may be restricted to one grant per property, or acceptance of a second grant application may be delayed until other applications are considered. This allows the Agency to provide opportunities that benefit the widest range of eligible recipients.

Who Can Apply?

- Commercial business owners in the Program Area
- Non-profit organizations who are leasing space in the Program Area (property is not tax exempt)
- Building owners completing all tenant improvements on behalf of the eligible tenant in the Program Area

What Can the Funds Be Used For?

- **Construction of permanent/fixed improvements to the tenant space, such as:**
 - Restaurant equipment such as hoods, stoves, counters, commercial refrigeration
 - Fixed furnishings and equipment, such as countertops and booths for restaurants, counters for salons or retail stores, built-in shelving for retail spaces
 - Lighting, flooring, painting, trim, and other space finishing
 - Exterior improvements, such as signage, painting
 - Note: Tenant improvements for existing business spaces must increase service capacity or expand service offerings and create jobs
- **Architecture/design, engineering, and permitting fees to prepare space for construction of tenant improvements**

What Can Funds NOT Be Used For?

- Non-permanent fixtures, personal property and equipment (with the exception of commercial restaurant equipment that would transfer to future restaurant uses), government uses within publicly owned buildings
- Basic electrical, heating & cooling, and restroom plumbing improvements needed for any tenant—these improvements should be covered by the landlord. Grant-funded improvements should be tenant-specific.
- Businesses that exclude minors during all business hours
- National chains
- Locally owned chains with more than ten locations
- Work completed prior to a grant agreement

Application Submittal Requirements

Interested parties should contact the City of Fairview's Community Development Department to arrange a **Staff Consultation** prior to getting started on the application materials. This consultation will help to verify that the proposed project is within the program area, and to assure its compatibility with these program guidelines.

Once the staff consultation has been completed and it's been determined that the project is well-matched for the grant program, an applicant shall complete an online application on the City's website: <https://fairvieworegon.gov/economicdevelopment/urbanrenwal>

Information required to be submitted with the application includes:

- A description of the business, its history, and expected challenges moving forward
- A project description and timeline, and how the project fits into the program criteria and adds value to the Fairview community
- A project cost breakdown, along with a professional cost estimate (see additional contractor quote requirements under Project Implementation & Reimbursement section)
- A breakdown of the proposed project cost contributions from the grant, business owner, and property owner
- Information demonstrating the applicant has financial capacity for the project
- An estimated monthly operating budget
- Color photographs of existing conditions
- Basic floorplan and other visuals depicting the plan and vision for proposed improvements (not required if grant request includes architectural design services)
- Authorization from the property owner, with a statement of their commitment to provide funds/other space improvements
- A copy of the Lease Agreement or Letter of Intent*

* Note: In cases where a lease agreement depends on the prospective tenant receiving grant funds, a Letter of Intent will suffice. However, an executed copy of the Lease Agreement will need to be presented to URA Staff prior to full execution of the Grant Agreement.

Selection Process

The selection process differs depending on the amount of grant funds being requested. That's because projects under \$20,000 are approved by agency staff, while projects over \$20,000 are reviewed and approved by Agency Board (City Council members).

The selection process for projects OVER \$20,000 is as follows (once the application is deemed complete by the Staff, the applicant should expect a decision within 4 weeks):

1. Arrange a Staff Consultation to determine project suitability
2. If the project is a good fit for the program, the applicant will fill out the grant application and provide supplementary documentation for review
3. Applications will then be reviewed by staff to confirm that all aspects of the program guidelines are addressed. If the application is incomplete, the applicant will be asked to update the materials to satisfy the deficiencies.
4. Once the application is complete, staff will prepare the required materials to take the application to the Board for approval. Board meetings are held on the 1st and 3rd Wednesday of the month. **Due to public notice requirements, the deadline for receiving a complete application is two weeks prior to the Board meeting where the application is up for approval.** If required materials are submitted after this deadline, the application's approval will be delayed until the following meeting, or between 2 to 4 weeks.
5. The Board will review the application and issue its award decision at the Board Meeting. If the Board approves the application, Staff will work with the applicant to set up a time to City Hall to sign the Grant Agreement.

The selection process for projects UNDER \$20,000 is as follows (once the application is deemed complete by Staff, the applicant should expect a decision within 2 weeks):

1. Arrange a Staff Consultation to determine project suitability
2. If the project is a good fit for the program, the applicant will fill out the grant application and provide supplementary documentation for review
3. Applications will then be reviewed by staff to confirm that all aspects of the program guidelines are addressed. If the application is incomplete, the applicant will be asked to update the materials to satisfy the deficiencies.
4. Once the application is complete and there is sufficient program budget for the project, the applicant will be notified of their proposal's approval, and they will arrange a time to come to City Hall to sign a Grant Agreement.

Grant Agreement

Once a project proposal is approved, the applicant (and any co-applicant) must sign an Agency Grant Agreement. The Grant Agreement will serve as the legal commitment of both parties as to the scope and quality of work and the amount of funds committed. The Grant Agreement will contain the specific Agency requirements for the applicant to receive the grant. These include:

- Grant funds may only be applied to costs incurred for eligible project activities in the Fairview Urban Renewal Area.
- Equipment or materials paid for by grant funds cannot be relocated within their useful life; they must stay at the project location.
- The applicant shall provide, on an annual basis, information deemed necessary by the Agency to determine compliance with the terms of the Grant Agreement.
- For Restaurant Equipment Grants the Owner, and if applicable, Tenant must do a Uniform Commercial Code (UCC) Filing that will remain in effect for five years.
- Should the business not remain in operation for at least five years, the grant must be paid back based on the Payback terms on page 6 of the Program Guidelines.
- Other terms and conditions as deemed necessary by the Agency.

In addition, the following General Conditions must be satisfied for all grant funded projects:

General Conditions

1. Improvements funded by the grant will be maintained in good order.
2. Property taxes must be current and be kept current for the duration of the grant period. Participants may have no debts in arrears to the City when the Grant Agreement is issued.
3. Property insurance must be maintained.
4. Project must be operated in compliance with all applicable local, state, and federal codes, laws and regulations.
5. Compliance with the City of Fairview Business License, and registration with State of Oregon for all applicable business activity, is required.
6. Project must comply with applicable City of Fairview land use regulations.
7. The Applicant must complete, sign, and submit a W-9 for disbursement of funds.
8. All projects will display signage indicating the Agency's involvement in the improvement work during construction.
9. The grant recipient will be required to retain records for potential Agency audits.
10. The grant recipient will be required to repay grant funds if the terms of a Grant Agreement are materially breached.

If these or other grant requirements are not met, the grant will need to be paid back to the Agency in accordance with the Payback Terms on page 6.

Grant Agreement Amendments

The Agency acknowledges that special circumstances may require changes to the original approved project. As a result, the Agency will allow a project Grant Agreement to be amended in the event of qualifying special circumstances. The grant recipient must provide evidence in support of amending the project to the Agency. All evidence must be provided in writing prior to physical improvements beginning, clearly depicting all changes to the project scope and the circumstances requiring said change. The Agency will review the recipient's evidence and deliver a decision on the amendment within 30 days.

Project Implementation & Payment Process

Once the grant agreement is signed the recipient may proceed with the project in accordance with the following requirements:

- Applicant responsible for hiring and contracting with licensed contractor(s).
- If the work/product is over \$25,000 and the URA is expected to pay the contractor/vendor directly, the applicant will need to produce 3 informal quotes/proposals from contractors prior to signing the Grant Agreement. However, if the work/product is under \$25,000 or the URA is expected to reimburse the applicant for approved work they have paid for, the applicant does not need to produce these additional quotes/proposals.
- Proposals should give detailed information about the work to be completed, the costs, and the project completion schedule. All proposals must include an authorized signature as well as a CCB# and full address.
- All contractors must be licensed by the State of Oregon. All construction contracts will be between the applicant and contractor.
- City must review all contracts with consultants and contractors to verify consistency with the scope of work and the Grant Agreement.
- All project work must receive applicable building permits and pass final inspection prior to grant payments being disbursed.

Grant Payment Process

All grant funds are disbursed following completion of the work. The total reimbursement for each project shall not exceed \$50,000. At staff's discretion, the contractors or consultants may be paid directly if reimbursement is deemed a financial hardship for the grant recipient. **Reimbursement can be expected in approximately three weeks after all the required documentation has been submitted**, reviewed and approved as follows:

1. The applicant will be required to submit a Grant Payment Request along with the required supporting documents identified below:
 - Completed Work Statement
 - W-9 Form
 - Statements for all paid invoices, along with evidence of payment by applicant. All invoices or statements submitted for reimbursement must be paid in full (City cannot issue a partial payment on an invoice to cover only a portion of the work). The invoices must be marked as paid and dated.
 - Photographs of completed project activity.
2. Staff will review the Grant Payment Request for consistency with the Grant Agreement
3. For work requiring permits, staff will verify that the work has been inspected and approved by building inspectors prior to staff sign-off for payment.
4. Staff will schedule and conduct a site inspection or review completed work (for plans/designs) to verify that all work as described in the Grant Agreement has been completed.

Payback Terms

Non-compliance with any of the above-mentioned items or terms of the Grant Agreement shall be considered a default and may constitute repayment of all or a portion of the grant funds awarded through the Program.

Period of Operation Requirements for Tenant Improvements.

Projects that receive a grant for tenant improvements must remain open for business as detailed in the business plan for at least five years (60 months) from the date of receipt of grant funds or the applicant will be required to pay back a portion of the grant as identified in the following schedule:

- Less than 24 months 100% of the grant amount
- More than 24 months but less than 60 months. 1/60 (1.66%) of the grant amount for each month less than 60 months that the Project is not open.

Payback of Loan

Any payback shall be subject to the conditions:

- No payback amount shall exceed \$50,000.
- As a minimum, the payback amount will include an interest rate of prime plus 2% during the life of the payback period.
- The term shall not exceed ten years.
- Interest applied to the payback amount will accrue immediately upon receipt of Agency funds.
- The payment schedule will be amortized over a 10-year period or useful life of the eligible project, whichever is less.
- Adequate security in the form of a promissory note.
- The payback amount may be paid off early at any time without penalty.

Public Funding Disclaimer

A recipient may utilize the Program in conjunction with other Agency financial programs and other public financial resources; however, in no event may the total amount of “funds of a public agency” as that term is defined under ORS 279C.810, exceed \$750,000 for the funded project. Applicants may receive funding for more than one property or structure based on availability of funds.

The total amount of “funds of a public agency” as that term is defined under ORS 279C.810 may not exceed \$750,000 for the funded project. Any projects using \$750,000 or more of “funds of a public agency” are not eligible to participate in the Program.